



ART NIRMAN LIMITED

Corporate Identity Number: - U45200GJ2011PLC064107

Our Company was originally incorporated as “Vishnudhara Builders Private Limited” on February 19, 2011 under the provisions of Companies Act, 1956 with Registrar of Companies, Gujarat, Dadra and Nagar Havelli vide registration no. 064107 (CIN: U45200GJ2011PTC064107). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on July 04, 2011 and fresh Certificate of Incorporation dated July 19, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of our Company was changed to “Vishnudhara Buildcon Private Limited”. Later, vide Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on September 23, 2011 and a fresh Certificate of Incorporation dated October 08, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of our Company was changed to “Art Nirman Private Limited”. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholder’s Resolution passed at the Extra Ordinary General Meeting of the Company held on August 16, 2016 and the name of our Company was changed from “Art Nirman Private Limited” to “Art Nirman Limited” vide a fresh Certificate of Incorporation dated September 02, 2016 having CIN U45200GJ2011PLC064107 issued by the Registrar of Companies, Ahmedabad.

Registered Office: 14, JBR Arcade, 2nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad, Gujarat-380060, India

Tel No: +91-8866404499; **E-mail:** info@artnirman.com ; **Website:** www.artnirman.com

Contact Person: Ms. Ziral Pankaj Kumar Soni (Company Secretary & Compliance Officer)

PROMOTER OF OUR COMPANY: Mr. ASHOKKUMAR RAGHURAM THAKKER

THE ISSUE

PUBLIC ISSUE OF 20,04,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF ART NIRMAN LIMITED (“OUR COMPANY” OR “THE ISSUER”) FOR CASH AT A PRICE OF ₹25.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹15.00 PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO ₹501.00 LAKHS (“THE ISSUE”), OF WHICH 1,02,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH FOR A CASH PRICE OF ₹25.00 PER EQUITY SHARE, AGGREGATING TO ₹25.50 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 19,02,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH AT AN ISSUE PRICE OF ₹25.00 PER EQUITY SHARE AGGREGATING TO ₹475.50 LAKHS (IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.35% and 25.01%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 239 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS ₹25.00 EACH. THE ISSUE PRICE IS 2.5 TIMES OF THE FACE VALUE. 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. 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, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “ISSUE PROCEDURE” BEGINNING ON PAGE 248 OF THIS DRAFT PROSPECTUS.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled “Issue Procedure” beginning on page 248 of this Draft Prospectus.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled “Issue Procedure” beginning on page 248 of this Draft Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹10.00 per equity share and the Issue Price is 2.5 times of the face value. The Issue Price (has been determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph ‘Basis for Issue Price’ on page 77 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the “Risk Factors” carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the section titled ‘Risk Factors’ beginning on page 16 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 this Issue, which is material in the context of this 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 National Stock Exchange of India Limited (“NSE” i.e. “NSE EMERGE”). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an approval letter dated [●] from NSE for using its name in this offer document for listing of our shares on the SME Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



Hem Securities Ltd

HEM SECURITIES LIMITED
 14/15, Khatau Bldg, 1st Floor, 40, Bank Street,
 Fort, Mumbai - 400001, Maharashtra, India
Tel. No.: +91- 022- 22671543
Fax No.: +91- 022- 2262 5991
Website: www.hemsecurities.com
Email: jb@hemsecurities.com
Investor Grievance Email: redressal@hemsecurities.com
Contact Person : Mr. Anil Bhargava
SEBI Regn. No. INM000010981



SHAREX DYNAMIC (INDIA)PRIVATE LIMITED
 Unit- 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East),
 Mumbai- 400 072, Maharashtra, India.
Tel. No.: +91-22 – 2851 5606/44
Fax No.: +91-22 – 2851 2885
Website: www.sharexindia.com
Email: sharexindia@vsnl.com
Investor Grievance Email: anl.ipo@sharexindia.in
Contact Person: Mr. K.C. Ajitkumar
SEBI Regn. No. INR000002102

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.

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

Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Auditor’s Report on Restated Financial Statements”, and “Main Provisions of Articles of Association” on pages 80, 158 and 291, respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

Term	Description
“Art Nirman Ltd.”, “Art Nirman”, “ANL”, “We” or “us” or “The Company”, “Our Company”, “the Issuer” or “Issuer Company”	Unless the context otherwise requires, refers to “ Art Nirman Limited ” (formerly known as Art Nirman Private Limited) a Company originally incorporated under the Companies Act 1956, vide a Certificate of Incorporation dated February 19, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
“you”, “your” or “yours”	Prospective investors in this Issue.

Company Related Terms

Term	Description
AOA / Articles / Articles of Association	Articles of Association of Art Nirman Limited as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of Art Nirman Limited being M/s Dhiren Shah & Co., Chartered Accountants.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
Bankers to the Company	HDFC Bank Limited
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled "Our Management" beginning on page 131 of this Draft Prospectus.
CIN	Corporate Identification Number.
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Ziral Pankaj Kumar Soni.
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.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of Our Company.

Executive Directors	Executive Director is Managing Director & Whole-time Director of our Company.
GIR Number	General Index Registry Number.
Group Companies	The word “group companies”, wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the issuer in its materiality policy and as disclosed in “Our Group Companies” on page 150 of this Draft Prospectus.
HUF	Hindu Undivided Family.
ISIN	International Securities Identification Number. In this case being – [●]
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “Our Management” on page 131 of this Draft Prospectus.
IT Act	The Income Tax Act, 1961 as amended till date
Indian GAAP	Generally Accepted Accounting Principles in India.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 07, 2016, in accordance with the requirements of the SEBI (ICDR) Regulations
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Art Nirman Limited as amended from time to time.
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Companies Act, 2013
Non Residents	A person resident outside India, as defined under Foreign Exchange Management Act, 1999
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s. SVK & Associates, Chartered Accountants.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, 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.
Promoter	Shall mean promoter of our Company i.e. Mr. Ashokkumar Raghuram Thakker. For further details, please refer to section titled "Our Promoter and Promoter Group" beginning on page 145 of this Draft Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office	14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad, Gujarat-380060, India
Restated Financial Information	The Restated Financial information of the Company, which comprises of the restated balance sheet, the restated profit and loss information and restated cash flow information, as at and for the years ended March 31, 2012, 2013, 2014, 2015 and 2016 together with the annexures and notes thereto.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
RoC/ Registrar of Companies	Registrar of Companies, Ahmedabad, Gujarat
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.

Art Nirman Limited

SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited

Issue Related Terms

Terms	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
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
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. 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 process only.
ASBA Account	Account maintained by the ASBA Applicant/Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant/Investor.
ASBA Application Location (s)/ Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in "Issue Procedure – Basis of Allotment" on page 280 of the Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker.

Terms	Description
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will 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
Collecting Depository Participants or CDPs	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 coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the Bidders' father/husband, investor status, Occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Draft Prospectus
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[●]
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
DP	Depository Participant
DP ID	Depository Participant's Identity
Draft Prospectus	Draft prospectus dated September 08, 2016 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value ₹ 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.

Terms	Description
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
HSL	Hem Securities Limited.
IPO	Initial Public Offering.
Issue/Public Issue/Issue size/Initial Public Issue/Initial Public Offer/Initial Public Offering/ IPO	The Public Issue of 20,04,000 Equity shares of ₹ 10/- each at issue price of ₹ 25 per Equity share, including a premium of ₹ 15 per equity share aggregating to ₹ 501.00 Lakhs.
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 25 per equity share.
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 Applications.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “Objects of the Issue” page 71 of the Draft Prospectus
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Listing Agreement/ Equity Listing Agreement	The Listing Agreement to be signed between our Company and National Stock Exchange of India Limited (NSE).
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE Emerge Platform. In our case, Hem Finlease Private Limited (HFPL) (Registration No. INB231110033) is the sole Market Maker
Market Making Agreement	The Market Making Agreement dated [●] between our company and Market Maker [●]
Market Maker Reservation Portion	The reserved portion of 1,02,000 Equity Shares of ₹ 10 each at an Issue price of ₹ 25 each aggregating to ₹ 25.50 Lakh to be subscribed by Market Maker in this issue.
MOU/ Issue Agreement	The Memorandum of Understanding dated September 07, 2016 between our Company and Lead Manager
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 19,02,000 equity Shares of ₹10 each at a price of ₹ 25 per Equity Share (the “Issue Price”), including a share premium of ₹ 15 per equity share aggregating to ₹475.50 Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled

Terms	Description
	"Objects of the Issue" beginning on page 71 of this Draft Prospectus.
Non-Institutional Investors / Applicant	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
NSEL/NSE	National Stock Exchange of India Limited
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter X-B of the SEBI ICDR Regulations.
Other Investor	Investors other than Retail Individual Investors. 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.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus to be filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Foreign Investor/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet know your client requirements prescribed by SEBI.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Sharex Dynamic (India) Pvt. Ltd.
Registrar Agreement	The agreement dated September 07, 2016, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/content/cat_of_mem.htm
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

Terms	Description
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available http://www.sebi.gov.in/pmd/scsb.pdf
SME Exchange	SME Platform of the NSE i.e. NSE EMERGE
SME Platform	The SME Platform of NSE i.e. NSE EMERGE for listing equity shares offered under Chapter X-B of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange on September 27, 2011
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application.
Underwriters	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] entered between the Underwriter [●] and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Technical and Industry Related Terms

Terms	Description
BP	Building Permit
CAGR	Compounded Annual Growth Rate
CC	Commencement Certificate
CPI	Consumer Price Index
CREDAI	Confederation of Real Estate Developers' Association of India
CSO	Central Statistical Organisation
Developable Area	The total area which we develop in each of our projects, including carpet area, common area, service and storage area, car parking and other open areas on which we may undertake any development
FAR	Floor Area Ratio, which means the quotient of the ratio of the combined gross floor area of all floors, excepting areas specifically exempted, to the total area of the plot.
FSI	It is the ratio of the Internal Floor Area and Saleable Area.
GOI	Government of India
IOA	Intimation of Approval
IOD	Intimation of Disapproval
IIP	Index of Industrial Production
LOI	Letter of Intent
OC	Occupation Certificate
Occupancy Level	The combined Saleable Area of the occupied units of a project as a percentage of the total Saleable

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	Area of the project available for lease.
PLR	Prime Lending Rate
Saleable Area	The part of the developable area relating to our economic interest in each property and for which the respective owner or tenant is obliged to pay or for which we estimate that respective owner or tenant will pay
S.B.U.A.	Super Built Up Area
Sq. Ft.	Square Feet
Sq. metres/Sq. mtr.	Square Metres
Sq. yds	Square Yards

ABBREVIATIONS

Abbreviation	Full Form
₹ / Rs./ Rupees/ INR	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CST	Central Sales Tax
CWA	Cost and Works Accountant
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant

Abbreviation	Full Form
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in 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 Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
M. A	Master of Arts

Abbreviation	Full Form
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number

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Abbreviation	Full Form
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Regulations and Policies in India”, “Financial Information of the Company”, “Outstanding Litigation and Material Developments” and “Part B” of “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.

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

Certain Conventions

All references in the Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Art Nirman Limited”, “ANL”, and, unless the context otherwise indicates or implies, refers to Art Nirman Limited (Formerly known as Art Nirman Private Limited). In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the financial year ended 2016, 2015, 2014, 2013 and 2012 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “Financial Information of the Company” beginning on page 158 of this Draft Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). 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 practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have 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.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “Financial Information of the Company” beginning on page 158 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the section “Definitions and Abbreviations” on page 1 of this Draft Prospectus. In the section titled “Main Provisions of Articles of Association”, on page 291 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Draft prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

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In accordance with the SEBI (ICDR) Regulations, the section titled “Basis for Issue Price” on page 77 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

Currency of Financial Presentation

All references to "Rupees" or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “Industry Overview” throughout the Draft Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million and Crore.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation” on page 16, 108 and 203 in the Draft Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presently solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

FORWARD LOOKING STATEMENTS

This Draft Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Our failure to keep pace with rapid changes in Real Estate Sector;
2. Disruption in our Construction business.
3. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
4. Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this issue;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
7. Changes in laws and regulations relating to the industries in which we operate;
8. Recession in the real estate market;
9. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
10. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
11. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
12. Any adverse outcome in the legal proceedings in which we are involved;
13. Concentration of ownership among our Promoters.
14. The performance of the financial markets in India and globally;
15. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
16. Inability to successfully obtain registrations in a timely manner or at all;
17. Our ability to attract, retain and manage qualified personnel;
18. Disruption in supply of Raw Materials at our projects sites;
19. Effect of lack of infrastructure facilities on our business;
20. Occurrence of Environmental Problems & Uninsured Losses;
21. Our ability to meet our capital expenditure requirements;
22. The timely completion of the Company’s projects;
23. Conflicts of interest with affiliated companies, the promoter group and other related parties;
24. Our ability to expand our geographical area of operation;

For further discussion of factors that could cause our actual results to differ, see the Section titled "Risk Factors"; “Our Business” & “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 16, 108 and 203 respectively of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. 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 for the Equity Shares allotted pursuant to this Issue.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as other information in this Draft Prospectus before making an investment in our Equity Shares. You should read this section in conjunction with the chapters "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 108 and 203, respectively, as well as the other financial and statistical information contained in this Draft Prospectus. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any or a combination of the following events occur, our business, financial condition, results of operations and prospects could materially suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned herein.

Investment 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. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements.

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

Materiality

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

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

Note:

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

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off.

Any percentage amounts, as set forth in "Risk Factors" on page 16 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 203 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Indian Accounting Standard.

INTERNAL RISK FACTORS

- 1. There are outstanding litigations involving our Directors and Promoters, which are pending at different stages before the statutory authorities. Further, there are TDS Defaults appearing on the TRACES website of Income Tax of Our Company. The adverse outcome of such proceedings may materially affect our business and financial condition.*

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Our Directors and Promoters are involved in certain legal proceedings, which are pending at different levels of adjudication before statutory authorities. A brief detail of such outstanding litigations involving our Promoters and Directors are provided below:

A. Cases filed against Our Promoter and Directors:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (in Rs. Lacs)
Civil Cases	3	223.80

B. Cases filed by our Promoter and Directors:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (in Rs. Lacs)
Civil Cases	2	149.60

C. TDS Defaults by our Company:-

Nature of Cases/Defaults	No. of Outstanding Cases	Amount Involved (in Rs. Lacs)
TDS Defaults	1	0.90

We cannot provide any assurance that these matters will be decided in favour of the above mentioned persons. Further, there is no assurance that similar proceedings will not be initiated against the above mentioned persons in the future. For further details of legal proceedings involving our Promoters and Directors, please refer to the chapter “Outstanding Litigation and Material Developments” on page 215 of this Draft Prospectus.

2. *If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.*

We require certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for our business to operate. In our real estate and construction business, government delays in obtaining approvals may result in cost increases in the price of construction materials from original estimates which cannot generally be passed on to clients and thus may affect our financial conditions. There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all.

Further, we rely on the fact that the Sub Contractors engaged by us, have duly complied with all the Labour related compliances for labours engaged by them, but we cannot assure you for such compliances and this may trigger regulatory action against us in future, including penalties. In addition, we are yet to apply for registration under Contract Labour (Regulation and Abolition) Act, 1970. Additionally we have to apply for change in name in all registrations and approvals which are on previous name of our Company i.e. Art Nirman Private Limited. For further information on various approvals or licenses required in connection with our operations, please see the section entitled “Government and other Approvals” on page 222 of this Draft Prospectus

We believe that we have complied considerably with such laws and regulations, as are applicable to our projects however, statutory/regulatory authorities may allege non-compliance and we cannot assure you that we will not be subjected to any such regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. While we also believe that in case of construction contracts, the real estate developer will be able to obtain or renew the necessary permits and approvals as and when required; there can be no assurance that the relevant authorities will issue/renew any or all requisite permits or approvals in the time-frame anticipated, or at all. Failure by the real estate developer to obtain, renew or maintain the required permits or approvals may result in the interruption of our operations or delay or prevent the construction of our existing/future projects and may have a material adverse effect on our business, financial condition and results of operations.

3. *We have issued Equity Shares in the last 12 months at a price which is lower than the Issue Price.*

In the last 12 months prior to the date of filing Draft Prospectus, our Company has allotted 39,90,000 Equity Shares of face value of Rs. 10/- each to our Promoter, Mr. Ashokkumar Raghuram Thakker at a price of Rs. 10/- per equity share, which is lower than the Issue

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Price. For details, please refer to section titled “Capital Structure” on page 52 of this Draft Prospectus. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

4. Our Company has limited operating history in the business of Real Estate Development and therefore investors may not be able to assess our company’s prospects based on past results.

Our Company was incorporated in the year 2011 and commenced full fledged operations from F.Y. 2013-14 with the development of our first residential cum commercial project, Shri Vishnudhara Cross Road in Ahmedabad. As on date of Draft Prospectus, we have completed only one aforementioned project. Since we have limited operating history in this business, there will be only limited information with which to evaluate the quality of our projects and our current or future prospects, and therefore prospective investors may not be able to assess our Company’s prospects based on past results. For details regarding to our ongoing project, please refer to Chapter titled “Our Business” on page 108 of this Draft Prospectus.

5. There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.

There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.

Our Company has made some clerical mistakes in documents and form filed in registrar of Companies, for instance, in Annual Returns filed by our Company in past years, our Company has inadvertently made error in respect of details of Shareholding. Further, Our Company has not complied with the provisions of Section 58A of Companies Act 1956 and Companies (Acceptance of Deposit) Rules in the past by accepting unsecured loan from others. However all the unsecured loans falling outside the exemptions from deposits provided under the Companies (Acceptance of Deposits) Rules, 1975 have been repaid as on date. Also there are some cases where forms have been filed belatedly in Registrar of Companies for which requisite delayed fees was paid by the Company.

Additionally our Company has not complied with some Accounting Standards in the past such as AS- 15 and AS-18. However, now the Company has made necessary provision for gratuity as per AS 15 and has made necessary compliance in accordance with the Accounting Standards in the re-stated financial statements of the Company.

Although no show cause notice have been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors may be adversely affected.

6. Our Statutory Auditor has highlighted certain matters of emphasis in their Audit Report for the financial year ended on March 31st, 2016. If such matters of emphasis are highlighted or qualifications are contained in future audit reports, the price of our Equity Shares may be adversely impacted.

Our Company’s auditors have highlighted certain matters of emphasis in the auditor’s report on the financial statements as on and for the year ended March 31, 2016 as follows:

We draw attention to Note 10 and Note 24 Point D (2nd Paragraph) to the Financial Statements which describes Inventory details and basis of valuation of Raw Material Stock. The Management of the Company took the physical verification of the raw-material of Cement, Tiles, Hardware, Plumbing Material and Electric Material and unused material has been taken in the closing stock at its purchase cost in the Profit & Loss Account and Balance Sheet as closing stock of raw-material which was valued at Rs. 60,16,314/-.

7. Our Company has incurred losses in the past.

As per the Restated Financial Statements of our Company, we have incurred loss of Rs. 1.85 lacs in F.Y. 2012-13. Our current financial performance does not warrant our future profits. There can be no assurance that we will be able to make profits in future.

- 8. Our Group Companies and Promoter Group Entities are engaged in the line of business similar to our Company. There are no non - compete agreements between Our Company and such entities. We cannot assure that our Promoters will not favour the interests of such Companies over our interest or that the said entities will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.**

Our Group Companies namely, Vishnudhara Buildcon LLP and Vedanshi Buildcon LLP and our Promoter Group Entities namely, M/s Dhara Infrastructure, M/s Dhara Developers and M/s Prathna Developers are engaged in the similar line of business of real estate development, as of our Company. Further, we have not entered into any non-compete agreement with any of said entities. We cannot assure that our Promoters who have common interest in said entities will not favour the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Companies/Promoter Group Entities in circumstances where our respective interests conflict. In cases of conflict, our Promoters may favour their companies in which our Promoters have interest. There can be no assurance that our Promoters or our Group Companies or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to “Common Pursuits” on page 146 of this Draft Prospectus.

- 9. Our Company has entered into Development Agreement and in future may enter into MoUs, Agreements to sell and similar agreements with third parties to acquire land or land development rights, which entails certain risks.**

In past, Our Company has entered into Development Agreement with our Director, Mrs. Dharmishtaben Thakkar, land owner of the Shri Vishnudhara Cross Road project, for development of the said project and in future we may enter into in MoUs, agreements to sell and similar agreements with third parties to acquire title or land development rights with respect to certain land. Since we do not acquire ownership with respect to such land upon the execution of such MoUs, as a result, our Company is subject to the risk that our Company may never acquire registration of title with respect to such land. Our Company may also be required to make partial payments to third parties to acquire certain land or land development rights which our Company may be unable to recover under certain circumstances, which in case may adversely affect our Company’s business, financial condition and results of operation.

- 10. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may adversely affect our competitive edge and better bargaining power if entered with non-related parties resulting into relatively more favourable terms and conditions and better margins.**

Our Company had entered into various transactions with our Directors, Promoter and Promoter Group. These transactions, inter-alia includes issue of shares, remuneration, loans and advances etc. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse affect on results of our operations. For details of transactions, please refer to “Annexure W” on “Related Party Transactions” of the Auditor’s Report under Section titled “Financial Information of the Company” and Chapter titled “Capital Structure” beginning on page 195 and 52 respectively of this Draft Prospectus

- 11. We do not own the registered office from which we operate. Any dispute in relation to use of the premises would have a material adverse effect on our business and results of operations.**

We operate from our Registered Office situated at 14, JBR Arcade, 2nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat which is owned by Mr. Ashokkumar Raghuram Thakker, Promoter and Managing Director of our Company. He has permitted us to use the premises as registered office of our Company, without any consideration through NOC dated 11-02-2011. Any discontinuance of such arrangement or any dispute in relation to use of the premises will lead us to locate any other premises which may not be available or may be available at higher prices or on commercially less favorable terms. This may adversely affect the operations, finances and profitability of our Company.

Further, our registered office is shared with our Group Companies i.e. Art Club Private Limited, Dat Hotels and Resorts Private Limited and Art Infocom LLP, any dispute with our group companies in future, may lead to change our registered office and place of operations

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from where we are presently operating. It may become difficult to find another office space at a reasonable cost. Also the change in registered office will adversely affect our business operations. For further details regarding our registered office, please refer to the section titled “Our Business” on page 108 of this Draft Prospectus.

12. We have experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions

The details of Cash flows of our Company are as follows:

Particulars	For the year ended (in Rs.)				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Net Cash Generated from/ (used in) Operating Activities	16,712,759	1,307,818	(36,267,975)	32,096,127	(47,320,947)
Net Cash used in Investing Activities	(2,066,518)	(142,272)	(5,324,407)	1,738,126	(3,385,739)
Net Cash from Financing Activities	(13,559,545)	599,763	41,503,914	(35,376,414)	52,363,931

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For more information, regarding Cash flows please refer “Annexure III” in chapter titled “Financial Information of the Company” beginning on page 158 of this Draft Prospectus.

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

Our Promoter and Directors can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced and personal guarantee, if any provided by them to/for the Company, and benefits deriving from the directorship in 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 not be able to affect the outcome of such voting. Our Promoters are interested in the transactions entered into our Company and our Group Entities or Promoter Group. For further information, please refer to the chapters titled “Our Management – Interest of Directors”, “Our Business”, “Our Promoter and Promoter Group” and “Related Party Transactions”, beginning on pages 108, 145 and 195 respectively of this Draft Prospectus.

14. Our success depends heavily on our Promoters and Key Management Personnel for the continued success of our business through their continuing services and strategic guidance and support

Our success heavily depends upon the continued services of our Key Management Personnel, along with support of our Promoter, Mr. Ashokkumar Raghuram Thakker. The loss of our Promoter or any of our Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of them could seriously impair the ability to continue to manage and expand the business efficiently. We may also have to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires, which may have adverse effect on our cash flows. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our key managerial personnel, please refer to Section “Our Management” on page 131 of this Draft Prospectus.

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

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving

these proceeds could result in inadequacy of working capital or may result in us borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company.

For further details of our working capital requirement, please refer chapter titled “Object for the Issue” beginning on page 71 of this Draft Prospectus

16. We face significant risk with regard to length of time needed to complete each project and there could be unscheduled delays and cost overruns in relation to our ongoing and future projects.

There could be unscheduled delays and cost overruns in relation to our ongoing or forthcoming projects. The time it takes to complete a project generally ranges between 18 months to 24 months depending upon type of project. During this time there can be changes to the national, state and local business climate and regulatory environment, local real estate market conditions, perception of prospective customers with respect to the convenience and attractiveness of the project and changes with respect to competition from other property developments. Further, any changes to the business environment such as non availability of raw materials or increase in cost of construction materials during such time may affect the cost and revenues associated with the project and may ultimately affect the profitability of a project.


Additionally, there could be unscheduled delays and cost overruns in relation to ongoing and future projects and we cannot assure you that we will be able to complete these projects within the expected budgets and time schedules at all. Further, we may be penalized from our client for delay in completion of project.

17. The completion of our projects can be delayed on account of our dependency on our contracted labour force

Our projects require the services of third parties including architects, engineers, contractors and suppliers of labour and materials. The contractual construction work of our projects is performed by third party sub-contractors. The timely and quality construction of our projects depends on availability and skill of such third parties, as well as contingencies affecting them, including labour and raw material shortages. We may not be able to identify approximately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rate and in area in which we undertake our present and future projects. As a result we may be required to make additional investments or provide additional services to ensure adequate performance and delivery of contracted services. Any consequent delay in project execution could adversely affect our profitability. Further we cannot assure you that the services rendered by these contractors will be satisfactory or match our requirements for quality. Additionally our operations may be adversely affected by circumstances beyond our control such as work stoppages, labour disputes and shortage of qualified skilled labour or lack of availability of adequate infrastructure.

18. We do not own the trademark legally as on date of Draft Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.



We do not own our trademark  as on the date of Draft Prospectus, however we have applied for its registration. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that application made by our Company for registration of our trademark by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details please refer to chapter titled “**Government and Other Approvals**” beginning on page 222 of the Prospectus.

19. We require substantial capital for our business operations, and the failure to obtain additional financing in the form of debt or equity may adversely affect our ability to grow and our future profitability.

Our business is capital intensive, requiring substantial capital to develop and market our projects. The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our projects, change in business plans due to prevailing economic conditions, unanticipated expenses, regulatory and engineering design changes. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional financing could increase our cost, in case of debt increase in interest cost and additional restrictive covenants and in case of equity dilution of our earnings per share. We cannot assure that in future, we will be able to raise additional financing on acceptable terms in a timely manner or at all.

20. Increased raw material, labour and other costs, may adversely affect our results of operation and feasibility of our development plan.

As our company is engaged into construction of residential cum commercial projects, our business would adversely be affected by availability cost and quality of raw materials and labour. The prices and supply of raw materials and labour depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs etc. Additionally inflation would play a critical role in the cost of construction and could directly impact the profitability of the company. We cannot assure you that we will be able to procure raw material and labour at competitive prices. In addition, during the period of significant increases in prices of raw materials, we may not be able to pass price increases to our customers, which would reduce or eliminate our profits.

21. Our Company has unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate working capital to make timely payments or at all.

Our Company has availed unsecured loans which may be recalled by its lenders at any time. As of March 31, 2016, such loans amounted to Rs. 200.23 lacs. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate working capital to undertake new projects or complete the ongoing projects. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “Financial Indebtedness” on page 202 of this Draft Prospectus

22. Our business is subject to various operating risks at our construction sites, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.

Our business operations are subject to operating risks, such as breakdown or failure of equipments used at the project sites, weather conditions, interruption in power supply, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, accidents, our inability to respond to technological advancements and emerging realty industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse affect on our business operations and financial conditions.

23. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.

Our Company is primarily engaged in construction activities which attract certain tax liabilities such as VAT and Service tax. However the Company has deposited the returns under above applicable Acts but any demand or penalty raised by concerned authority in future for any previous year or current year will affect the financial position of the Company.

24. We may not be able to successfully identify and acquire suitable land for development, which may adversely affect our business and growth prospects.

Our ability to identify suitable land for development is vital to our business. Once a potential development site has been identified, site visits and feasibility studies/surveys are undertaken, which include detailed analyses of factors such as regional demographics, gap analysis of current property development initiatives and market needs, and market trends. Our ability to acquire ownership or development rights over suitable sites is dependent on a number of factors that may be beyond our control. These factors include the availability of suitable land, market conditions, the willingness of land owners to sell or grant development rights over land on attractive

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terms, the availability and cost of any required financing, encumbrances on the land, government directives on land use, and the obtaining of permits and approvals for land development. However, conveyance of the land does not occur upon signing of the memorandum of understanding and formal transfer of title to or interest in land by the seller (at which time stamp duty becomes payable) is generally completed only after all requisite governmental consents and approvals have been obtained. Our acquisition of interests in land are therefore also subject to the risk that sellers may during such time identify and transact with alternative purchasers or decide not to sell the land.

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

We depend on our ability to understand the preferences of our customers and to accordingly develop projects that suit their tastes and preferences. The growing disposable income of India's middle and upper income classes has led to a change in popular lifestyle resulting in substantial changes in the nature of their demands. The range of amenities now demanded by consumers include those that have historically been uncommon in India's residential real estate market such as gardens, community space, security systems, playgrounds, swimming pools, fitness centres, tennis courts, squash courts and golf courses. As customers continue to seek better housing and better amenities as part of their residential needs, we are required to continue to focus on the development of quality residential accommodation with various amenities. We also intend to continue to provide quality facilities even in our middle-income housing projects. Our inability to provide customers with certain amenities or our failure to continually anticipate and respond to customer needs may affect our business and prospects.

26. Our Company's activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.

We operate in a labour intensive industry and our contractors hire casual labour to work on our projects. In the event of a labour dispute, if our contractors are unable to successfully negotiate with the workmen or sub-contractors, it would result in work stoppages or increased operating costs. It may also be difficult to procure the required skilled workers for existing or future projects. In addition we may also be liable for or exposed to sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

27. Quality concerns could adversely impact our business.

The business of our Company is dependent on the trust of our customers they are having in the quality of our construction. Any flats sold to customers, which do not comply with the quality specifications or standards prevalent in the business or market segment, may result in customer dissatisfaction, which may have an adverse effect on our reputation, sales and profitability.

28. Our revenues from our projects are difficult to predict and are subject to seasonal variations.

Revenue from a construction projects may vary widely and is dependent on various factors such as the current stage, locality and size of the project, the scheduled commencement date, the price and supply of raw materials and project delays. The scheduled commencement date for our projects are estimates based on current expectations and market conditions, which could change significantly. Our revenue may also differ significantly from period to period due to factors such as number of new projects, delays or difficulties in expanding our business, changes to our pricing structure or that of our competitors, inaccurate estimates of resources and time required to complete ongoing projects and currency fluctuations. In addition, since we record revenues using the percentage of completion method and revenues are not recognized until there is reasonable progress on a contract. As a result, our revenues and profits may vary significantly during different financial periods, and certain periods are not indicative of our financial position for the year, and may be significantly below the expectations of the market.

29. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.

The market for our industry is competitive on account of both the organized and unorganized players for both residential and commercial projects. Players in this industry generally compete with each other on key attributes such as quality of construction, pricing

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and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources such as stronger engineering capabilities in executing residential and commercial projects, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

30. Our insurance coverage may be inadequate, as a result of which the loss or destruction of our assets could have a material adverse effect on our financial condition and results of operations.

Currently, we have taken insurance for the plant & machinery and vehicles owned by our Company. However, we have not taken any insurance for the ongoing project. If we suffer any losses, damages and liabilities in the course of our operations and real estate development in future, we may not have sufficient insurance or funds to cover such losses. Any such uninsured losses or liabilities could result in a material adverse effect on our business operations, financial conditions and results of operations.

31. Certain information contained in this Draft Prospectus is based on management estimates and we cannot assure you of completeness or accuracy of the data.

Certain information contained in this Draft Prospectus like data on our funding requirements and our proposed use of issue proceeds is based solely on management estimates and has not been appraised by any bank or financial institution. The estimated project dates as well as costs may change depending on the circumstances like changes in laws and regulations, competition, irregularities, ability of the third parties to complete their services, delays cost overruns or modifications to our ongoing projects. Such circumstances can have an impact on our financial conditions and results of operation.

32. 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.

33. Within the parameters as mentioned in the chapter titled "Objects of this Issue" beginning on page 71 of this Draft Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.

We intend to use entire fresh Issue Proceeds towards working capital needs and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in financial year 2016-17 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "Objects of the Issue" beginning on page 71 of this Draft Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled "Objects of the Issue" beginning on page 71 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, the deployment of funds will be subject to monitoring by our Audit Committee.

34. The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our

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Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters “Capital Structure” beginning on page 52 of this Draft Prospectus.

35. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

In the past, we have not made dividend payments to the Shareholders of our Company. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash flows, working capital requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

36. We will continue to be controlled by our Promoters and Promoter Group after the listing of the Equity Shares in the Issue.

Upon successful completion of the Issue, our Promoters and Promoter Group will collectively control, directly or indirectly, approximately 73.61% of our outstanding Equity Shares (assuming full subscription to the Issue). As a result, our Promoters and Promoter Group will continue to have the ability to exercise significant control over our Company and all matters requiring shareholder approval, including election of directors, our business strategy and policies, and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in our Company may also have the effect of delaying, preventing or deterring a change in control of our Company, even if such a transaction may be beneficial to the other shareholders. The interests of our Promoters and Promoter Group as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in favor of our Company or the other shareholders. For details of our shareholding please refer section titled “***Capital Structure***” beginning on page 52 of this Draft Prospectus.

37. We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoter or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the sub-section titled "Notes to the Capital Structure" under the section titled "Capital Structure" beginning on page 52 of the Draft Prospectus. The future issuance or sale of the equity shares of our company by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

Prior to the Issue, there has not been a public market for our Equity Shares. We cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. Even though a Market Maker has been appointed for our stock, since there has been no public market for our Company’s Equity Shares, an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. If an active market does not develop, you may experience difficulty selling our Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price.

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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:

- Volatility in the Indian and Global economy
- Company's result and performance
- Performance of competitors.
- Significant development with respect to the fiscal, political and financial condition in the economy.

The risk of loss associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the 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 45 of this Draft Prospectus.

39. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of the Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares offered in this Issue have been allotted. Approval will require all other 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 Stock Exchange. Any failure or delay in obtaining the approval from NSE EMERGE would restrict your ability to dispose of your Equity Shares.

Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Trading in the Equity Shares is expected to commence within 6 Working Days from the Issue Closing Date.

However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose off your Equity Shares.

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

We are not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. 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 listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulations, 2015 which will require us to file audited annual and unaudited semi-annual and limited review 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 promptly as other listed companies which may adversely affect the financial position of the Company.

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, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

41. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to

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acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

42. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives the appropriate trading approvals.

Our Equity Shares will be listed on the SME Platform of NSE Ltd. As per the SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, we are required to list our Equity Shares within 6 working days of the Issue Closing Date. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat," accounts with depository participants in India are expected to be credited within one working days of the date on which the basis of allotment is approved by the Indian Stock Exchanges. Thereafter, upon receipt of final approval from the Indian Stock Exchange, trading in the Equity Shares is expected to commence within two working days of the date on which the basis of allotment is approved by the designated Stock Exchange. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

43. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Equity Shares will be determined by our Company in consultation with the Lead Manager. This price will be based on numerous factors, as described in the section entitled "Basis for Issue Price" on page 77 of this Draft Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

EXTERNAL RISK FACTORS

44. Our business is dependent on economic growth in India.

Our performance is dependent on the health of the overall Indian and World economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. For example, in the monsoon of 2009, Several parts of the country experienced below average rainfall, leading to reduced farm output which impaired economic growth. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy or Global recession could harm our business, financial condition and results of operations.

45. Economic, political and social conditions, some of which are beyond our control, may negatively affect the fortunes of the industry and harm our ability to do business and increase our cost.

Economic and political factors that are beyond our control, influence forecasts and affect level of consumer spending. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude

46. If communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy and our business.

Some parts of India have experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries. Since May 1999, military confrontations between countries have occurred in Kashmir. The hostilities between India and its neighboring countries are particularly threatening because India and certain of its neighbors possess nuclear weapons. Hostilities and tensions may occur in the future and on a wider scale. Also, since 2003, there have been military hostilities and continuing civil unrest and instability in Afghanistan. There has also recently been hostility in the Korean Peninsula. In July 2006 and November 2008, terrorist attacks in Mumbai in November 2008 and in July 2011 resulted in numerous casualties. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

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

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

48. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 could adversely affect our business and activities.

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having or likely to have 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 customers 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. On March 4, 2011, the government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. The applicability or interpretation of any provision of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by the CCI for any alleged violation of provisions of the Competition Act, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, may adversely affect our business, results of operations and prospects.

49. If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. In particular, increase in prices is due to a variety of factors beyond our control, including global commodities prices and economic conditions. If this trend continues, we may be unable to reduce our costs or pass our increased costs on our customers and our results of operations and financial condition may be materially and adversely affected.

50. Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of the Equity Shares.

51. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- The GoI has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure which is proposed to be effective from April 1, 2016. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.
- Further, the General Anti Avoidance Rules (“GAAR”) are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, Interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, the GoI may introduce a waiver or incentive scheme in relation to specific population segments such as MSEs in public interest, pursuant to which we may be required to offer our products and services at discounted rates. This may affect our business and results of operations.

52. Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors’ assessment of our financial condition.

The financial data included in this Draft Prospectus has been prepared in accordance with Indian GAAP. There are significant differences between Indian GAAP and IFRS. We have 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.

53. Our performance is linked to the stability of policies and the political situation in India.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current

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Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

54. Any change in the labour laws or any other Labour law become applicable to us, our profitability may be adversely affected.

India has very strict labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although we hire contractual labour, any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

55. Any changes in regulations or applicable government incentives would materially affect our operations and growth prospects.

We are subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page 116 of the Draft Prospectus. Our business could be materially affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which would have a material adverse effect on our business, financial condition and results of operations.

56. Our business is heavily dependent on the availability of real estate financing in India. Difficult conditions in the global markets and the economy may cause us to experience limited availability of funds.

Our operations typically require large amounts of financing to fund the capital expenditure relating to our projects. Changes in the global and Indian credit and financial markets have diminished the availability of credit and led to an increase in the cost of financing. In many cases the markets have exerted downward pressure on the availability of liquidity and credit capacity. We may need liquidity for future growth and development of our business and may have difficulty assessing the financial markets, which could make it more difficult or expensive to obtain financing in future. Without sufficient liquidity we may not be able to continue construction activities for our projects, which may adversely affect our results of operations.

57. The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

Catastrophic loss of life due to natural or man-made disasters could cause us to pay benefits at higher levels and/or materially earlier than anticipated and could lead to unexpected changes in persistency rates. A natural or man-made disaster, could result in losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

Pandemic disease, caused by a virus such as the "Ebola" virus, H5N1, the "avian flu" virus, or H1N1, the "swine flu" virus "zika virus", could have a severe adverse effect on our business. The potential impact of a pandemic on our results of operations and financial position is highly speculative, and would depend on numerous factors, including: the probability of the virus mutating to a form that can

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be passed from human to human; the rate of contagion if and when that occurs; the regions of the world most affected; the effectiveness of treatment of the infected population; the rates of mortality and morbidity among various segments of the insured versus the uninsured population; our insurance coverage and related exclusions; and many other variables.

58. *There can be no assurance that Our Company's securities will continue to be listed on the Stock Exchanges.*

Pursuant to the listing of our Equity Shares on the Stock Exchanges, we will be required to comply with certain regulations and/or guidelines as prescribed by SEBI and the Stock Exchanges. However, in the event that we fail to comply with any of the aforesaid regulations and/or guidelines, there can be no assurance that our Equity Shares will continue to be listed on the Stock Exchanges.

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

A majority of the provisions and rules under the Companies Act, 2013 have come into effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offering documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in futures trading. Further, the Companies Act, 2013 imposes greater monetary and other liability on us and our directors for any non-compliance.

To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to the limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

60. *Financial instability in Indian financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Any financial development in the countries in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Any adverse condition happening in the financial systems of other emerging markets may also affect the investors' confidence in Indian Market which can cause increased volatility, in the Indian economy in general. Any worldwide financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy.

61. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.*

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India if the sale does not meet the requirements of the RBI Circular dated October 4, 2004, as amended by circulars dated April 22, 2009 and May 4, 2010. Additionally, any person who seeks to convert Indian Rupee proceeds from such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or tax clearance certificate from the Indian income tax authorities. The RBI is required to approve the price at which the Equity Shares are transferred based on a specified formula and a higher price per share may not be permitted. The approval from the RBI or any other government agency may not be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

62. Investor's may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Capital gains arising from the sale of shares are generally taxable in India. Any gain realized on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which shares are sold. Any gain realized on the sale of shares and/or held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares, as the case may be.

Prominent Notes:

1. Public Issue of 20,04,000 Equity Shares of Face Value of ₹ 10/- each of Art Nirman Limited ("ANL" or "Our Company" or "The Issuer") for Cash at a Price of ₹ 25/- Per Equity Share (Including a Share Premium of ₹ 15 per Equity Share) ("Issue Price") aggregating to ₹ 501.00 Lacs, of which 102,000 Equity Shares of Face Value of ₹10/- each at a price of ₹ 25 each aggregating to ₹ 25.50 Lacs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and Net Issue to Public of 19,02,000 Equity Shares of Face Value of Rs. 10/- each at a price of ₹ 25/- each aggregating to ₹ 475.50 Lacs (hereinafter referred to as the "Net Issue") The Issue and the Net Issue will constitute 26.35% and 25.01% 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 other than retail individual investors;
 - 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 Net worth of our Company as on March 31, 2016 and March 31, 2015 was Rs. 450.46 Lacs and Rs. 4.33 Lacs respectively. For more information, see the section titled "Financial Information of the Company" beginning on page 158 of this Draft Prospectus.
4. The NAV / Book Value per Equity Share, based on Restated Financials of our Company as on March 31, 2016 and March 31, 2015 was Rs. 11.26/- and Rs. 43.35/- per equity share respectively. Such NAV/Book Value is derived on the basis of number of shares outstanding as at the end of the respective financial years. For more information, see the section titled "Financial Information of the Company" beginning on page 158 of this Draft Prospectus.
5. The average cost of acquisition of Equity Shares by our Promoters is set out below:

Name of our Promoters	Number of Equity Shares Held	Average Cost of Acquisitions (Rs per share)
Mr. Ashokkumar Raghuram Thakker	55,94,995	14.29

As certified by Peer Review Auditor, vide their certificate dated September 07, 2016 For Further details, please refer to "Capital Structure" on page 52 of this Draft Prospectus.

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6. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled “Financial Information of the Company- Annexure W- Statement of Related Parties Transactions, on page 195 of Draft Prospectus.
7. No Group companies have any business or other interest in our Company, except as stated in section titled “Financial Information of the Company - Annexure W - Statement of Related Parties Transactions, as Restated”, “Capital Structure”, “Our Group Companies” on pages 195, 52 and 150 respectively and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. Our Company was originally incorporated as “***Vishnudhara Builders Private Limited***” on February 19, 2011 under the provisions of Companies Act, 1956 with Registrar of Companies, Gujarat, Dadra and Nagar Havelli vide registration no. 064107 (CIN: U45200GJ2011PTC064107). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on July 04, 2011 and fresh Certificate of Incorporation dated July 19, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of our Company was changed to “***Vishnudhara Buildcon Private Limited***”. Later, vide Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on September 23, 2011 and a fresh Certificate of Incorporation dated October 08, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of our Company was changed to “***Art Nirman Private Limited***”. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholder’s Resolution passed at the Extra Ordinary General Meeting of the Company held on August 16, 2016 and the name of our Company was changed from “***Art Nirman Private Limited***” to “***Art Nirman Limited***” vide a fresh Certificate of Incorporation dated September 02, 2016 having CIN U45200GJ2011PLC064107 issued by the Registrar of Companies, Ahmedabad.
9. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Draft Prospectus.
10. Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
11. Investors are advised to see the paragraph titled “Basis for Issue Price” beginning on page 77 of this Draft Prospectus.
12. The Lead Manager and our Company shall update this Draft Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Draft Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Hem Securities Limited for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “Basis of Allotment” beginning on page 280 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. NSE. 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.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled “Our Management” beginning at page 131 and chapter titled “Our Promoter & Promoter Group” beginning at page 145 and chapter titled “Financial Information of the Company” beginning at page 158 of this Draft Prospectus.
16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “Financial Information of the Company” beginning on page 158 of this Draft Prospectus.

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17. Trading in the Equity Shares for all investors shall be in dematerialised form only.
18. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, Key Managerial Personnel or Group Companies.

For information on the changes of the objects clause of the Memorandum of Association of our Company, please refer to the chapter titled "History and Certain Corporate Matters" beginning on page 127 of this Draft Prospectus.

SECTION – III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Draft Prospectus, including the information contained in the chapter titled “Risk Factors” and “Auditor’s Report on Restated Financial Statements” and related notes beginning on page 16 and 158 of the Draft Prospectus before deciding to invest in our Equity Shares.

Global Economic Overview

Since the Economic Survey and Budget were presented a year ago, the Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Inflation, the fiscal deficit, and the current account deficit have all declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors.

At the same time, the upcoming Budget and 2016-17 (FY2017) economic policy more broadly, will have to contend with an unusually challenging and weak external environment. Although the major international institutions are yet again predicting that global growth will increase from its current subdued level, they assess that risks remain tilted to the downside. This uncertain and fragile outlook will complicate the task of economic management for India.

The risks merit serious attention not least because major financial crises seem to be occurring more frequently. The Latin American debt crisis of 1982, the Asian Financial crisis of the late 1990s, and the Eastern European crisis of 2008 suggested that crises might be occurring once a decade. But then the rapid succession of crises, starting with Global Financial Crisis of 2008 and proceeding to the prolonged European crisis, the mini-crises of 2013, and the China provoked turbulence in 2015 all hinted that the intervals between events are becoming shorter.

This hypothesis could be validated in the immediate future, since identifiable vulnerabilities exist in at least three large emerging economies—China, Brazil, Saudi Arabia—at a time when underlying growth and productivity developments in the advanced economies are soft. More flexible exchange rates, however, could moderate full-blown eruptions into less disruptive but more prolonged volatility.

One tail risk scenario that India must plan for is a major currency re-adjustment in Asia in the wake of a similar adjustment in China; as such an event would spread deflation around the world. Another tail risk scenario could unfold as a consequence of policy actions—say, capital controls taken to respond to curb outflows from large emerging market countries, which would further moderate the growth impulses emanating from them.

In either case, foreign demand is likely to be weak, forcing India—in the short run— to find and activate domestic sources of demand to prevent the growth momentum from weakening. At the very least, a tail risk event would require Indian monetary and fiscal policy not to add to the deflationary impulses from abroad. The consolation would be that weaker oil and commodity prices would help keep inflation and the twin deficits in check.

(Source: Economic Survey 2015-16- Volume-I; www.indianbudget.nic.in)

Indian economy Overview

With 1.2 billion people and the world’s fourth-largest economy, India’s recent growth and development has been one of the most significant achievements of our times. Over the six and half decades since independence, the country has brought about a landmark agricultural revolution that has transformed the nation from chronic dependence on grain imports into a global agricultural powerhouse that is now a net exporter of food. Life expectancy has more than doubled, literacy rates have quadrupled, health conditions have improved, and a sizeable middle class has emerged. India is now home to globally recognized companies in pharmaceuticals and steel and information and space technologies, and a growing voice on the international stage that is more in keeping with its enormous size and potential.

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Historic changes are unfolding, unleashing a host of new opportunities to forge a 21st-century nation. India will soon have the largest and youngest workforce the world has ever seen. At the same time, the country is in the midst of a massive wave of urbanization as some 10 million people move to towns and cities each year in search of jobs and opportunity. It is the largest rural-urban migration of this century.

The historic changes unfolding have placed the country at a unique juncture. How India develops its significant human potential and lays down new models for the growth of its burgeoning towns and cities will largely determine the shape of the future for the country and its people in the years to come.

Massive investments will be needed to create the jobs, housing, and infrastructure to meet soaring aspirations and make towns and cities more livable and green. Generating growth that lifts all boats will be key, for more than 400 million of India's people—or one-third of the world's poor—still live in poverty. And, many of those who have recently escaped poverty (53 million people between 2005-10 alone) are still highly vulnerable to falling back into it. In fact, due to population growth, the absolute number of poor people in some of India's poorest states actually increased during the last decade.

Inequity in all dimensions, including region, caste and gender, will need to be addressed. Poverty rates in India's poorest states are three to four times higher than those in the more advanced states. While India's average annual per capita income was \$1,410 in 2011—placing it among the poorest of the world's middle-income countries—it was just \$436 in Uttar Pradesh (which has more people than Brazil) and only \$294 in Bihar, one of India's poorest states. Disadvantaged groups will need to be brought into the mainstream to reap the benefits of economic growth, and women—who “hold up half the sky”—empowered to take their rightful place in the socioeconomic fabric of the country.

Fostering greater levels of education and skills will be critical to promote prosperity in a rapidly globalizing world. However, while primary education has largely been universalized, learning outcomes remain low. Less than 10 percent of the working-age population has completed a secondary education, and too many secondary graduates do not have the knowledge and skills to compete in today's changing job market. Improving health care will be equally important. Although India's health indicators have improved, maternal and child mortality rates remain high and, in some states, are comparable to those in the world's poorest countries. Of particular concern is the nutrition of India's children whose well-being will determine the extent of India's much-awaited demographic dividend; at present, an overwhelming 40 percent (217 million) of the world's malnourished children are in India.

The country's infrastructure needs are massive. One in three rural people lack access to an all-weather road, and only one in five national highways is four-lane. Ports and airports have inadequate capacity, and trains move very slowly. An estimated 300 million people are not connected to the national electrical grid, and those who are face frequent disruptions. And, the manufacturing sector—vital for job creation—remains small and underdeveloped. Nonetheless, a number of India's states are pioneering bold new initiatives to tackle many of India's long-standing challenges and are making great strides towards inclusive growth. Their successes are leading the way forward for the rest of the country, indicating what can be achieved if the poorer states were to learn from their more prosperous counterparts.

India now has that rare window of opportunity to improve the quality of life for its 1.2 billion citizens and lay the foundations for a truly prosperous future—a future that will impact the country and its people for generations to come.

(Source - <http://www.worldbank.org/en/country/india/overview>)

Overview of Real Estate and Housing Sector

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade.

The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

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The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

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

(Source: http://indiainbusiness.nic.in/newdesign/index.php?param=economy_landing/403/2)

Real estate and ownership of dwelling is an important contributor to the Indian economy. It constituted 8.0 per cent of India's GVA in 2014-15 and grew by 9.1 per cent. It also generates significant income and employment owing to large forward and backward linkages through creation of demand in the input sectors and real estate services. The sector has grown at a CAGR of 8.1 per cent since 2011-12. However, the construction sector has witnessed a significant slowdown in last few years, with growth rates of 0.6 per cent in 2012-13, 4.6 per cent in 2013-14, 4.4 per cent in 2014-15 and 3.7 per cent in 2015-16 led by weakening of both domestic and global growth.

The slowdown in sales in the housing sector has resulted in a sharp increase in the inventory of unsold housing units, especially in the northern and western regions. It is estimated that at the current rate of monthly sale, the unsold housing stock in the northern region would need 65 months to be absorbed. The inventory overhang in the western and southern region is much better at 30 and 22 months. Despite weak sales and rising inventory, the housing prices in many cities and towns have increased in 2015, as per the National Housing Bank's RESIDEX (index of residential prices). In 2015, out of 26 cities, 20 witnessed increase in prices over 2014, with the maximum increase observed in Guwahati (9 per cent) followed by Pune (8 per cent), while five saw decline, with the maximum fall witnessed in Chandigarh (-8 per cent) followed by Delhi (-4 per cent).

Realty prices are just holding up due to heavy inflow of capital in the sector over the last few years. It is estimated that since the beginning of 2015, about US\$10 billion or Rs 60,000 crore was invested in the sector by domestic and foreign investors, the highest in the last seven years. Most of these investments have come via structured deals and non-convertible debentures (NCD) together estimated at around US\$9.5 billion. These investments, largely in the nature of debts and FDI equity inflows in the construction development sector, have been only to the extent of US\$81 million between April and October 2015. High level of debt investment, while providing interim relief to the sector, poses a high refinancing risk if the housing sales continue to remain weak.

Procedural delay is another major constraint in this sector. According to the World Bank's 'Doing Business 2016', India ranked 183rd (out of 189 economies) in terms of construction permits, requiring on an average of 40 procedures to get permits as compared to an average of 15.1 in South Asia and 12.4 in OECD (Organisation for Economic Co-operation and Development) countries. It is estimated that about 25 per cent of housing projects in India are delayed, largely due to poor project management and delay in regulatory approval. It is estimated that over 40 different kinds of approvals and No Objection Certificates (NoC) are required for a building project, which can take anywhere between two and three years for construction to start.

Several policy initiatives were taken in 2014-15 to help this sector, including amendment of the FDI policy and removing the minimum floor area and minimum capital requirement provisions. The RBI and the National Housing Bank have also reduced risk weight for individual housing loans of up to R75 lakh from 50 per cent to 35 per cent for Banks and Housing Finance Companies, respectively. Further, the loan-to-value ratio has been increased to 90 per cent for loans up to R30 lakh. The government also announced plans to build six crore houses by the year 2022 under the Housing for All scheme. Further, the government identified 98 cities to be developed as smart cities and announced 20 cities to be taken up in the first place.

(Source: - <http://www.indiabudget.nic.in/es2015-16/echapvol2-07.pdf>)

SUMMARY OF OUR BUSINESS

The following information should be read together with, the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “ Financial Information of the Company” on page 16, 203 and 158, respectively of this Draft Prospectus.

Overview

Our Company was incorporated in the year 2011, with a vision to carry on the business of real estate development in and around the city of Ahmedabad, Gujarat. In 2013, we started construction of our first residential cum commercial project “Shri Vishnudhara Cross Road” in Ahmedabad, in Joint Development Agreement with our Director, Mrs. Dharmishtaben Thakker, owner of the project land. We successfully completed construction of “Shri Vishnudhara Cross Road” project in the year 2016, which consist of 5 towers containing total of 154 residential apartments of 2 and 3 BHK and 25 commercial shops, with a total built up area of 2,09,701 sq. ft. (aprox.) As on date of draft prospectus, we have successfully sold 129 residential flats and 21 commercial offices in our “Shri Vishnudhara Cross Road” project. Further, we’ve received bookings for 23 residential flats and 4 commercial flats from the Customers for the said project.

We also undertake work contracts for the development of residential & commercial projects. Currently, we have one ongoing work contract which has been undertaken from our Promoter Group firm M/s Dhara Developers, for carrying out activities such as plastering, tiles fitting, painting, electrical fitting, plumbing, doors and windows fitting, etc. in a residential cum commercial project, “Vishnudhara Homes” located in Ahmedabad. Further, we have received offer from our Group Companies for carrying out construction work in their forthcoming projects, which will be of building a hotel and a club under Contract. We are yet to consider their offers as the approved site plans, Contract terms and other details of the projects, has not been finalized by our Group Companies, till date.

Presently, we carry all the construction activities by subcontracting the project work to third party contractors.

Our Promoter, Mr. Ashokkumar Raghuram Thakker have been connected with real estate industry for more than a decade. Our Company is benefitted from their rich experience and expert in-sight of the industry.

Highlights of the Project Completed by our Company:-

Project Name	Project Type	Developable Area (Sq. Ft.) (aprox.)	No. of Units built	No. of Units Sold (sale deed executed)	Date of Commencement	Date Of Completion
Shri Vishnudhara Cross Road	Residential cum Commercial	2,09,701	Residential-154 Commercial-25	Residential – 129 Commercial – 21	October 2013	February 2016

Our Location:

Registered Office	14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat. Tel No:- +91-8866404499 Website: www.artnirman.com Email: info@artnirman.com
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Our Competitive Strengths

We believe that the following are our primary competitive strength:

- **Good Knowledge of the market and regulatory environment in Ahmedabad**

Art Nirman Limited

We believe that we have good knowledge of the market and regulatory environment in Ahmedabad that assists us in identifying opportunities in this region. Our Completed and ongoing project are located in Ahmedabad, which we believe is an attractive real estate market in terms of returns on investment, product positioning and depth of demand for real estate developments. Ahmedabad's position as a small and medium business destination of India, the population of high-income customer base and an expanding segment of young, upwardly mobile professionals provides a substantial market for residential projects.

➤ **Experienced management team**

Our Promoter, Mr. Ashokkumar Raghuram Thakkar is well experienced in the field of real estate development for over a decade. Besides, the management team consists of experienced Key Managerial Persons who oversee every aspect of project development for timely execution of the project. We believe that the experience of our management team and its in-depth understanding of the real estate market will enable us to continue to take advantage of both current and future market opportunities.

➤ **Focus on Quality Construction**

Currently, we subcontract construction and execution work related to projects to third party contractors. We outsource specialized work to entities, which have the required expertise in specialized project execution. This allows our Company to ensure quality construction. Our Management reviews the functions of contractors. Further, we focus on completing our projects efficiently and effectively within the stipulated time period.

Our Business Strategy

➤ **To focus on Quality Projects and on timely project schedule delivery.**

Our one of the significant business strategy is to undertake quality projects and ensuring timely project execution thereby maximizing customer satisfaction. We believe that this strategy can help strengthen our ability to engage in complex projects in future.

➤ **Building and Strengthening Execution Capabilities**

Currently, we sub-contract specific construction and execution work related to projects to third party contractors. We intend to focus on strengthening our own infrastructure and build in-house project execution capabilities. This will help us in increasing our margins in long run.

➤ **Enhancing Operating Effectiveness and Efficiency**

Our Company aims to continue to improve our operational effectiveness and efficiencies to achieve cost reductions including overheads. We believe that this can be done through continuous project review and timely corrective measures in case of diversion and technology upgradation.

➤ **To render high quality of services to our Customers.**

Our one of the significant business strategy is to focus on adhering to the quality standards of the service and timely project execution thereby maximizing customer satisfaction. This will also aid us in enhancing our brand image and build a strong customer base.

➤ **To Build up a Professional Organization**

As an organization, we believe in transparency and commitment in our work and with our customers. Although we have an experienced team, we also consult with external agencies on a case to case basis on technical and financial aspects of our business. We will consistently put efforts among our group of employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

SUMMARY OF OUR FINANCIALS
ANNEXURE – I
SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

(Amt in Rs.)

	Particulars	Annx.	As At				
			31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
			Rs.	Rs.	Rs.	Rs.	Rs.
(1)	Equity & Liabilities						
	Shareholders' Funds						
	(a) Share Capital	A	40,000,000	100,000	100,000	100,000	100,000
	(b) Reserves & Surplus	B	5,045,626	333,495	144,754	(79,485)	106,338
			45,045,626	433,495	244,754	20,515	206,338
(2)	Non Current Liabilities						
	(a) Long-term borrowings	C	20,521,022	69,406,060	59,925,130	17,510,000	52,813,803
	(b) Deferred tax liabilities (net)	D	391,853	81,564	175,108	29,554	20,710
	(c) Other Long-term Liabilities		-	-	-	-	-
	(d) Long-term provisions	E	12,238	4,452	532	-	-
			20,925,113	69,492,076	60,100,770	17,539,554	52,834,513
(3)	Current liabilities						
	(a) Short-term borrowings		-	-	-	-	-
	(b) Trade payables	F	37,830,158	16,399,805	17,883,752	-	295,214
	(c) Other current liabilities	G	77,359,694	154,684,339	42,508,906	2,012,793	14,483,142
	(d) Short-term provisions	H	717,434	114,000	215,761	24,165	24,962
			115,907,286	171,198,144	60,608,419	2,036,958	14,803,318
	Total		181,878,025	241,123,715	120,953,943	19,597,027	67,844,169
	Assets						
(4)	Non-current assets						
	(a) Fixed Assets	I	7,223,806	6,088,899	6,705,945	1,622,019	3,484,563
	(b) Non-current investments		-	-	-	-	-
	(c) Long-term loans and advances	J	2,510,000	26,088,833	35,844,945	17,859,924	57,720,661
	(d) Other non-current assets		-	-	-	-	-
			9,733,806	32,177,732	42,550,890	19,481,943	61,205,224
(5)	Current Assets						
	(a) Current Investments		-	-	-	-	-
	(b) Inventories	K	156,319,767	195,910,799	74,953,734	-	4,954,170
	(c) Trade Receivables		-	-	-	-	-
	(d) Cash & Bank Balances	L	2,878,621	1,791,926	26,616	115,084	1,657,245
	(e) Short Term Loans & Advances	M	12,945,831	11,177,526	3,422,703	-	27,530
	(f) Other Current Assets	N	-	65,733	-	-	-
			172,144,219	208,945,983	78,403,053	115,084	6,638,945
	Total		181,878,025	241,123,715	120,953,943	19,597,027	67,844,169

Note: The above statement should be read with the restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures II, III and IV respectively.

ANNEXURE – II
STATEMENT OF PROFIT AND LOSS (AS RESTATED)

(Amt in Rs.)

Particulars	Annx	For the Period / Year Ended				
		31/03/16	31/03/15	31/03/14	31/03/13	19/02/2011 to 31/3/2012
Continuing Operations						
Revenue from operations:						
- Revenue From Sale of Services	O	254,425,611	-	-	-	-
- Other Operating Income	O	1,781,877	-	-	10,000	15,000
Net Revenue from operations		256,207,488	-	-	10,000	15,000
Other income	O	168,639	77,819	52,367	11,316	125,037
Total Revenue (A)		256,376,127	77,819	52,367	21,316	140,037
Expenses:						
Cost of Acquisition of Development Rights of Land		78,004,500	-	-	-	-
Cost of Raw Materials Consumed	P	42,863,086	63,482,953	41,966,111	-	-
Project Direct Operating Cost	Q	39,911,816	34,985,964	17,751,448	922,133	2,354,304
Project Indirect Operating Cost	R	30,544,330	9,129,870	3,682,983	401,881	1,458,039
Purchase of Stock-in-trade		-	-	-	-	-
Changes in inventories of finished goods, WIP and Stock-in-Trade	S	45,607,346	(120,957,065)	(67,667,530)	(2,332,034)	(4,954,170)
Employee benefits expense	T	5,039,453	2,449,845	1,531,512	885,660	550,775
Other expenses	U	1,618,007	1,266,095	1,163,259	115,660	5,000
Total Expenses (B)		243,588,538	(9,642,338)	(1,572,217)	(6,700)	(586,052)
Earnings Before Interest, Taxes, Depreciation & Amortization		12,787,589	9,720,157	1,624,584	28,016	726,089
Finance costs	V	4,574,507	8,881,167	911,216	72,611	549,872
Depreciation and amortization expenses		985,756	832,407	240,569	132,384	13,022
Profit before exceptional items, extraordinary items and tax (C=A-B)		7,227,326	6,583	472,799	(176,979)	163,195
Exceptional items (D)		-	-	-	-	-
Profit before extraordinary items and tax (E=C-D)		7,227,326	6,583	472,799	(176,979)	163,195
Extraordinary items (F)		-	-	-	-	-
Profit before tax (G=E-F)		7,227,326	6,583	472,799	(176,979)	163,195
Provision for Tax						
- Current Tax		2,097,849	2,943	91,558	-	36,147
- Tax adjustment of prior years		107,057	(91,558)	11,448	-	-
- Deferred Tax Liability / (Asset)		310,289	(93,544)	145,554	8,843	20,710
- MAT Credit Entitlement		-	-	-	-	-
Tax Expense For The Year (H)		2,515,195	(182,158)	248,560	8,843	56,857
Restated profit after tax from Continuing Operations (I=G-H)		4,712,131	188,741	224,239	(185,823)	106,338
Profit from Discontinuing Operations (J)		-	-	-	-	-
Restated profit for the year from total operations (K=I+J)		4,712,131	188,741	224,239	(185,823)	106,338

Note: The above statement should be read with the restated statement of assets and liabilities, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, III and IV respectively

ANNEXURE – III
CASH FLOW STATEMENT (AS RESTATED)

(Amt in Rs.)

Particulars	For the Year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	19/02/2011 to 31/3/2012
1. Cash Flow From Operating Activities:					
Net Profit before tax, extraordinary & exceptional item	7,227,326	6,583	472,799	(176,979)	163,195
<i>Adjustments for:</i>					
Depreciation and amortization expense	985,756	832,407	240,569	132,384	13,022
Finance Cost	4,574,507	8,881,167	911,216	72,611	549,872
Interest Received / Other Non Operative Receipts	(54,145)	(73,089)	(88)	(7,966)	(111,846)
Operating Profit before Changes in Working Capital	12,733,444	9,647,068	1,624,496	20,050	614,243
<i>Adjustments for:</i>					
Inventories	39,591,032	(120,957,065)	(74,953,734)	4,954,170	(4,954,170)
Trade Receivables	-	-	-	-	-
Short Term & Long Term Loans & Advances	21,806,167	2,005,650	(21,407,724)	39,888,267	(57,748,191)
Other Current Assets	65,733	(65,733)	-	-	-
Trade Payables	21,430,353	(1,483,947)	17,883,752	(295,214)	295,214
Other Current Liabilities	(77,324,645)	112,175,433	40,496,113	(12,470,349)	14,483,142
Short term Provision	11,000	(11,000)	125,000	-	-
Long term Provision	7,786	3,920	532	-	-
Other Current Assets	-	-	-	-	-
Changes in Working Capital	5,587,425	(8,332,742)	(37,856,061)	32,076,874	(47,924,005)
Cash Flow from Extra-Ordinary Items & Exceptional Item	-	-	-	-	-
Cash Generated from Operations	18,320,869	1,314,326	(36,231,565)	32,096,924	(47,309,762)
Taxes Paid	1,608,111	6,508	36,410	797	11,185
Net Cash from Operating Activities	16,712,759	1,307,819	(36,267,975)	32,096,127	(47,320,947)
2. Cash Flow From Investing Activities:					
Fixed Assets Purchased (Net)	(2,120,663)	(215,361)	(5,324,495)	1,730,160	(3,497,585)
Interest Received/ Other Non Operative Receipts	54,145	73,089	88	7,966	111,846
Net Cash from Investing Activities	(2,066,518)	(142,272)	(5,324,407)	1,738,126	(3,385,739)
3. Cash Flow From Financing Activities:					
Proceeds from Issue of Shares	39,900,000	-	-	-	100,000
Proceeds from Short term borrowings	-	-	-	-	-
Proceeds from Long term borrowings	(48,885,038)	9,480,930	42,415,130	(35,303,803)	52,813,803
Finance Cost	(4,574,507)	(8,881,167)	(911,216)	(72,611)	(549,872)
Net Cash from Financing Activities	(13,559,545)	599,763	41,503,914	(35,376,414)	52,363,931
Net Increase/ (Decrease) in Cash & Cash Equivalents	1,086,696	1,765,310	(88,468)	(1,542,161)	1,657,245
Cash & Cash Equivalents at the beginning of the year	1,791,925	26,616	115,084	1,657,245	-
Cash & Cash Equivalents at the end of the year	2,878,621	1,791,926	26,616	115,084	1,657,245

Notes:

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/3/2012
1. Components of Cash & Cash Equivalents :					

Art Nirman Limited

Cash on Hand	129,176	17,153	26,616	48,713	75,043
Cheque on Hand	2,335,000	-	-	-	-
Balances with Scheduled Banks					
In Current Accounts	414,445	839,773	-	66,371	1,582,202
In Deposit Accounts	-	935,000	-	-	-
Total Cash & Cash Equivalents	2,878,621	1,791,926	26,616	115,084	1,657,245

2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

3. Figures in Brackets represents outflow.

4. The above statement should be read with the restated statement of assets and liabilities, statement of profit & loss, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II and IV respectively

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS	
Equity Shares Offered: Public Issue of Equity Shares by our Company	20,04,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 25/- per share aggregating to ₹ 501.00 Lacs
<i>Of Which</i>	
Issue Reserved for the Market Makers	102,000 Equity Shares of ₹ 10/- each for cash at a price of ₹25/- per share aggregating ₹ 25.50 Lacs
Net Issue to the Public*	19,02,000 Equity Shares of ₹ 10/- each for cash at a price of ₹25/- per share aggregating ₹ 475.50 Lacs
	of which
	9,54,000 Equity Shares of ₹ 10/- each at Issue Price of ₹ 25/- per equity share (including a premium of ₹ 15/- per Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs
	9,48,000 Equity Shares of ₹ 10/- each at Issue Price of ₹ 25/- per equity share (including a premium of ₹ 15/- per Equity Share) will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs
Equity Shares outstanding prior to the Issue	56,00,000 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Issue	76,04,000 Equity Shares of face value of ₹10 each
Objects of the Issue/ Use of Issue Proceeds	Please see the chapter titled “Objects of the Issue” on page 71 of this Draft Prospectus

The present Issue of 20,04,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 03, 2016 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting of the members held on September 07, 2016

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 239 of this Draft Prospectus

*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue ‘the allocation’ is the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to other than Retail Individual Investors.

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.

For further details please refer to the chapter titled “Issue Structure” beginning on page 245 of this draft prospectus.

GENERAL INFORMATION

Our Company was originally incorporated as “**Vishnudhara Builders Private Limited**” on February 19, 2011 under the provisions of Companies Act, 1956 with Registrar of Companies, Gujarat, Dadra and Nagar Havelli vide registration no. 064107 (CIN: U45200GJ2011PTC064107). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on July 04, 2011 and fresh Certificate of Incorporation dated July 19, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of our Company was changed to “**Vishnudhara Buildcon Private Limited**”. Later, vide Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on September 23, 2011 and a fresh Certificate of Incorporation dated October 08, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of our Company was changed to “**Art Nirman Private Limited**”. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholder’s Resolution passed at the Extra Ordinary General Meeting of the Company held on August 16, 2016 and the name of our Company was changed from “**Art Nirman Private Limited**” to “**Art Nirman Limited**” vide a fresh Certificate of Incorporation dated September 02, 2016 having CIN U45200GJ2011PLC064107 issued by the Registrar of Companies, Ahmedabad.

For further details, please refer to the section titled “History and Certain Corporate Matters” on page 127 of this Draft Prospectus.

Brief Company and Issue Information

Registered Office	14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat. Tel No:- +91-8866404499 Email: info@artnirman.com Website: www.artnirman.com
Date of Incorporation	February 19, 2011
Corporate Registration No.	064107
Corporate Identification No.	U45200GJ2011PLC064107
Address of Registrar of Companies	Registrar of Companies, Ahmedabad, Gujarat, India. ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India. Tel No: +91-079-27437597, Fax No: +91-079- 27438371 Email: roc.ahmedabad@mca.gov.in Website : www.mca.gov.in
Designated Stock Exchange	NSE EMERGE (SME Platform of NSE), Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai-400051, Maharashtra
Issue Programme	Issue Opens on : [●] Issue Closes on : [●]
Company Secretary & Compliance Officer	Ms. Ziral Pankaj Kumar Soni Art Nirman Limited 14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat. Tel No:- +91-8866404499 E-mail: cs@artnirman.com Website: www.artnirman.com
Chief Financial Officer	Mr. Kirtar Satubhai Munshi Art Nirman Limited 14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat. Tel No:- +91-8866404499 Email: cfo@artnirman.com Website: www.artnirman.com

Art Nirman Limited

Note: Investors can contact the Compliance Officer or the Registrar to the Issue or Lead Manager in case of any pre or post- Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds in ASBA Account.

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

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove

For all issue related queries, and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Ashokkumar Raghuram Thakker	Chairman and Managing Director	A-69, New Nikita Park, Near Sun N Step Club, Thaltej, Ahmedabad, Gujarat – 380-059	02842849
Mrs. Dharmisthaben Ashokkumar Thakkar	Non Executive Director	A-69, New Nikita Park, Near Sun N Step Club, Thaltej, Ahmedabad, Gujarat – 380-059	03423373
Mr. Krunal Kiritkumar Mistry	Independent Non Executive Director	806-Akruti Hight, Opp. Chandan Party Plot, Satellite, Ahmedabad, Gujarat 380015	07555458
Mr. Viral Dipak Ranpura	Independent Non Executive Director	A-31, Saiyam Co Op Ho Soc Ltd, Panchdev Mandir Lane Opp Axis Bank Ltd Nehru nagar, Ahmedabad, Gujarat- 380015	07177208

For further details of the Directors of our Company, please refer to the chapter titled “Our Management” on page 131 of this Draft Prospectus.

Details of Key Intermediaries (Registered with SEBI) pertaining to this Issue and for our Company:

Lead Manager of the Issue	Legal Advisor to the Issue
HEM SECURITIES LIMITED Address:- 14/15 Khatau Building, 1st Floor, 40 Bank Street, Fort, Mumbai – 400001, Maharashtra Tel No.:+91-22-22671543 Fax No.:+91-22-22625991 Email: jb@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Mr. Anil Bhargava SEBI Regn. No.: INM00001098	MV Kini Address:- Kini House, 6/39, Jangpura-B, New Delhi – 110014, India Tel No.:+ 91-11-24371038/39/40, +91-9899016169 Fax. No.: +91-11-24379484 Email: raj@mvkini.com Contact Person: Ms. Raj Rani Bhalla
Registrar to the Issue	Bankers to the Company
SHAREX DYNAMIC (INDIA) PRIVATE LIMITED Address:- Unit - 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072, Maharashtra, India.	HDFC BANK LIMITED Address:- HDFC Bank Ltd. , Shop No. 26, JBR Arcade, Science City Road, Ahmedabad-380060 Tel. No.: +079- 29299692

Tel. No.: +91 – 22 - 2851 5606 / 44 Fax No.: +91 - 22 - 2851 2885 Website: www.shareindia.com Email: shareindia@vsnl.com Investor Grievance Email: anl.ipo@shareindia.in Contact Person: Mr. K. C. Ajitkumar SEBI Regn. No.: INR000002102	Email Id: ajay.tiwari@hdfcbank.com Contact Person: Ajay Tiwari Designation: Branch Manager
Statutory Auditors of the Company	Peer Review Auditors of the Company
M/s. Dhiren Shah & Co. CHARTERED ACCOUNTANTS Address:- 2 nd Floor, Swastik Avenue, Opp. Omkar House, C.G. Road, Navrangpura, Ahmedabad – 380 009. Tel. No: +91-79-26423324 Email: dhirensah_co2000@yahoo.com Firm Registration No.: 114633W Contact Person: Mr. Karan Shah	SVK & ASSOCIATES, Chartered Accountants Address:- C-701-702, Titanium Square, Thaltej Cross Roads, S. G. Road, Ahmedabad- 380-059 Tel No:+ 91 (79) 40320800 Email: svk@casvk.com Firm Registration No.: 118564W Contact Person: CA. Shilpang Karia
Bankers to the Issue	
[•]	

*M/s SVK & Associates, Chartered Accountants are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) and holds a peer reviewed certificate dated November 13, 2013 issued by the “Peer Review Board” of the Institute of Chartered Accountants of India.

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Managers is not required.

SELF CERTIFIED SYNDICATE BANKS (“SCSBs”)

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on www.sebi.gov.in/pmd/scsb.pdf. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

REGISTERED BROKERS

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at www.nseindia.com, as updated from time to time.

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS

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

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at www.nseindia.com, as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

BROKERS TO THE ISSUE

Art Nirman Limited

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

CREDIT RATING

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

IPO GRADING

Since the issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009 there is no requirement of appointing an IPO Grading agency.

DEBENTURE TRUSTEES

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

TRUSTEES

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

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. 50000.00 Lacs. Since the Issue size is only of Rs 501.00 Lacs, our Company has not appointed any monitoring agency for this Issue.

However, as per the Regulations 18 (3) read with part C of schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISING ENTITY

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

EXPERT OPINION

Except for the reports in the section "Financial information of the Company" and "Statement of Tax Benefits" on page 158 and 80 of the Draft Prospectus from the Peer Review Auditors and Statutory Auditors respectively, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. 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. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) Working Day from the day of receipt of such instruction.

If our Company withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the Stock Exchange where the Equity Shares may be proposed to be listed.

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Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

UNDERWRITING

The Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% underwritten by the Lead Manager – Hem Securities Limited in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by us with Underwriter – [●], the obligations of the Underwriter are subject to certain conditions specified therein. The details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lacs)	% of the Total Issue Size Underwritten
[●]	20,04,000 * Equity Shares of ₹ 10/- being issued at ₹ 25/- each	[●]	100%

*Includes 102,000 Equity shares 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 our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the lead manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfill the obligations of Market Making for this issue:

Name	[●]
Correspondence Address:	
Tel No.:	
Fax No.:	
E-mail:	
Website:	
Contact Person:	
SEBI Registration No.:	
NSE Market Maker Registration No.	

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 NSE 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 prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE EMERGE Platform and SEBI from time to time.

3. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE EMERGE Platform (in this case currently the minimum trading lot size is 6,000 equity shares; however the same may be changed by the NSE EMERGE Platform of NSE from time to time).
4. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
5. 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% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. 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.
9. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
10. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
12. The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

13. **Risk containment measures and monitoring for Market Makers:** SME portal of NSE “NSE Emerge” will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

14. **Punitive Action in case of default by Market Makers:** NSE's 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.
15. **Price Band and Spreads:** The Price Band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange time to time.
16. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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

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

CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Prospectus.

(₹ in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	Authorized Share Capital 80,00,000 Equity Shares having Face Value of ₹ 10/- each	800.00	-
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue* 56,00,000 Equity Shares having Face Value of ₹10/- each	560.00	-
C	Present Issue in terms of this Draft Prospectus** 20,04,000 Equity Shares having Face Value of ₹ 10/- each at a Premium of ₹15/- per share	200.40	501.00
	Which Comprises		
I.	Reservation for Market Maker portion 1,02,000 Equity Shares of ₹10/- each at a premium of ₹ 15/- per Equity Share	10.20	25.50
II.	Net Issue to the Public 19,02,000 Equity Shares of ₹ 10/- each at a premium of ₹ 15/- per Equity Share	190.20	475.50
	of which		
	9,54,000 Equity Shares of ₹ 10/- each at a premium of ₹ 15/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs	95.40	238.50
	9,48,000 Equity Shares of ₹ 10/- each at a premium of ₹ 15/- per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs	94.80	237.00
D	Paid up Equity capital after the Issue 76,04,000 Equity Shares having Face Value of ₹10/- each	760.40	-
E	Securities Premium Account Before the Issue After the Issue	240.00 540.60	

* Company has allotted 16,00,000 equity Shares on Preferential basis vide Shareholders resolution in meeting dated September 07, 2016 and same is yet to be updated on MCA as on the date of Draft Prospectus.

**The present Issue of 20,04,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 03, 2016 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting of the members held on September 07, 2016.

Class of Shares

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

Details of Changes in Authorized Share Capital of our Company:

Date of Meeting	AGM/ EGM	Changes in Authorized Share Capital
On Incorporation	---	Authorized share capital of the Company ₹ 1.00 Lakh divided into 10,000 Equity Shares of ₹10/- each.
January 01, 2016	EGM	Increase in the authorized share capital of the Company from ₹ 1.00 Lakh divided into 10,000 Equity Shares of ₹10/- each to ₹ 800.00 Lakhs divided into 80,00,000 Equity Shares of ₹ 10/- each.

Notes to Capital Structure

1. Equity Share Capital History of our Company:

(a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Securities Premium Account (₹)	Cumulative Paid-up Capital (₹)
Upon Incorporation	10,000	10/-	10/-	Cash	Subscription to MOA ⁽ⁱ⁾	10,000	NIL	1,00,000
March 01, 2016	39,90,000	10/-	10/-	Other than Cash	Further Allotment ⁽ⁱⁱ⁾	40,00,000	NIL	4,00,00,000
September 07, 2016	16,00,000	10/-	25/-	Other than Cash	Further Allotment ⁽ⁱⁱⁱ⁾	56,00,000	2,40,00,000	5,60,00,000

Notes:

(i) The Subscribers to the Memorandum of Association of Our Company were:

Name	No. of Equity Shares
Mr. Ashokkumar Raghuram Thakker	5,000
Ms. Dharmisthaben Ashokkumar Thakkar	5,000
Total	10,000

(ii) Preferential allotment of 39,90,000 Equity Shares to below mentioned shareholder pursuant to conversion of Loan into Equity Shares:

Name	No. of Equity Shares
Mr. Ashokkumar Raghuram Thakker	39,90,000
Total	39,90,000

(iii) Preferential allotment of 16,00,000 Equity Shares to below mentioned shareholder pursuant to conversion of Loan into Equity Shares:

Name	No. of Equity Shares
Mr. Ashokkumar Raghuram Thakker	16,00,000
Total	16,00,000

(b) As on the date of this Draft Prospectus, our Company does not have any preference share capital.

2. Issue of Equity Shares for consideration other than cash

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our	Allottees	No. of Shares Allotted
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					Company		
March 01, 2016	39,90,000	10/-	10/-	Conversion of Loan into Equity Shares	Reduction in debts of the Company.	Mr. Ashokkumar Raghuram Thakker	39,90,000
September 07, 2016	16,00,000	10/-	25/-	Conversion of Loan into Equity	Reduction in debts of the Company.	Mr. Ashokkumar Raghuram Thakker	16,00,000

- No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Except as mentioned below, no Equity shares have been issued at price below Issue price within last one year from the date of the Draft Prospectus

Date of Allotment	Allottees	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Reason for Allotment	Category of Allottees
March 01, 2016	Mr. Ashokkumar Raghuram Thakker	39,90,000	10/-	10/-	Conversion of Loan into Equity Shares	Promoter

6. Details of Shareholding of Promoters

As on the date of this Draft Prospectus, our Promoter Mr. Ashokkumar Raghuram Thakker holds 55,94,995 Equity Shares, respectively of our company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares*	Face Value Per Share (₹)	Issue/ Acquisition/Transfer Price (₹)**	Nature of Transactions	Pre-Issue Share holding %	Post-Issue Share holding %	Lock-in Period	Source of Funds
Mr. Ashokkumar Raghuram Thakker								
February 19, 2011	5,000	10	10	Subscribers of MOA	0.09	0.07	1 Year	Own Fund
November 26, 2011	(23)	10	10	Transferred by Sale ⁽ⁱ⁾	-0.00	-0.00	-	-
March 01, 2016	39,90,000	10	10	Allotment for consideration other than Cash	71.25	52.47	1 Year	Own Fund
September 03, 2016	18	10	25	Acquired through Transfer ⁽ⁱⁱ⁾	0.00	0.00	1 Year	Own Fund
September 07, 2016	16,00,000	10	10	Allotment for consideration other than Cash	28.57	21.04	3 Years	Own Fund
TOTAL	55,94,995				99.91	73.58		

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*None of the Shares has been pledged by our Promoters

** Acquisition price excludes stamp duty

(i) Details of Transfer of shares made by Mr. Ashokkumar Raghuram Thakker dated November 26, 2011

S. No.	Name of Transferee	No. of Shares Sold	Transfer Price	Total Amt.
1.	Mr. Alpeshkumar Chiman bhaiPatel	1	10	10
2.	Mr. Arun D. Patel	1	10	10
3.	Ashokkumar Raghurambhai Thakker (HUF)	1	10	10
4.	Mr. Bhavin Sureshbhai Thakkar	1	10	10
5.	Mr. Devchand Kantilal Panchiwala	1	10	10
6.	Ms. Harshaben S. Patel	1	10	10
7.	Ms. Jayantiji Malaji	1	10	10
8.	Mr. Kirit R. Thakker	1	10	10
9.	Ms. Manjulaben Rasiklal	1	10	10
10.	Mr. Mohanlal Sukhram Krishnani	2	10	20
11.	Mr. Raghurambhai Varsambhai Thakker	1	10	10
12.	Ms. Neetaben D. Patel	1	10	10
13.	Raghurambhai V. Thakker (HUF)	1	10	10
14.	Mr. Rameshchandra Shitaldas Patel	1	10	10
15.	Mr. Rameshwar S. khatri	1	10	10
16.	Rasiklal Dayarambhai (HUF)	1	10	10
17.	Mr. Shrishbhai Gopalbhai Patel	1	10	10
18.	Mr. Shitalbhai Rameshbhai Patel	1	10	10
19.	Mr. S.R. Patel	1	10	10
20.	Mr. Sukhram N. Krishnani	2	10	20
21.	Mr. Virambhai Rudabhai Gamara	1	10	10
	Total	23	-	230

(ii) Details of Acquisition of shares made by Mr. Ashokkumar Raghuram Thakker dated September 03, 2016

S. No.	Name of Transferor	No. of Shares Acquired	Transfer Price	Total Amt.
1.	Mr. Arun D. Patel	1	25	25
2.	Mr. Devchand Kantilal Panchiwala	1	25	25
3.	Ms. Harshaben S. Patel	1	25	25
4.	Ms. Jayantiji Malaji	1	25	25
5.	Mr. Kirit R. Thakker	1	25	25
6.	Ms. Manjulaben Rasiklal	1	25	25
7.	Mr. Mohanlal Sukhram Krishnani	2	25	50
8.	Ms. Neetaben D. Patel	1	25	25
9.	Mr. Rameshchandra Shitaldas Patel	1	25	25
10.	Mr. Rameshwar S. khatri	1	25	25
11.	Rasiklal Dayarambhai (HUF)	1	25	25
12.	Mr. Shrishbhai Gopalbhai Patel	1	25	25
13.	Mr. Shitalbhai Rameshbhai Patel	1	25	25
14.	Mr. S.R. Patel	1	25	25
15.	Mr. Sukhram N. Krishnani	2	25	50

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16.	Mr. Virambhai Rudabhai Gamara	1	25	25
	Total	18		450

7. The average cost of acquisition of or subscription of shares by our Promoter is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Ashokkumar Raghuram Thakker	55, 94,995	14.29

8. Shareholding of Promoters and Promoters Group

Following are the details of the holding of securities pre and post Issue shareholding of persons belonging to the category “Promoter and Promoter Group”:

S.No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
A.	Promoter				
1	Mr. Ashokkumar Raghuram Thakker	55, 94,995	99.91	55, 94,995	73.58
	Sub Total (A)	55, 94,995	99.91	55, 94,995	73.58
B.	Promoter Group				
2	Mrs. Dharmisthaben Ashokkumar Thakkar	5,000	0.09	5,000	0.07
3	Ashokkumar Raghurambhai Thakker (HUF)	1	0.00	1	0.00
4	Mr. Piyushkumar C. Thakkar	1	0.00	1	0.00
5	Mr. Raghurambhai Varsambhai Thakker	1	0.00	1	0.00
6	Raghurambhai V. Thakker (HUF)	1	0.00	1	0.00
7	Mr. Alpeshkumar Chimanbhai Patel	1	0.00	1	0.00
	Sub Total (B)	5,005	0.09	5005	0.07
	GRAND TOTAL (A+B)	56,00,000	100.00	56,00,000	73.65

9. Except as mentioned below, there are no Equity Shares acquired/Purchased/ Sold by the Promoter and Promoter Group, Directors and their immediate relative within six months immediately preceding the date of filing of this Draft Prospectus:

Date of Allotment	Name of Shareholder	Promoter/Promoter Group/Director	Nature of Transactions	Price	Number of Shares Transacted
March 01, 2016	Mr. Ashokkumar Raghuram Thakker	Promoter and Managing Director	Allotment for consideration other than Cash*	10	39,90,000
September 03, 2016	Mr. Ashokkumar Raghuram Thakker	Promoter and Managing Director	Acquired through Transfer**	25	18
September 07, 2016	Mr. Ashokkumar Raghuram Thakker	Promoter and Managing Director	Allotment for consideration other than Cash*	25	16,00,000

* Shares were allotted pursuant to conversion of Unsecured Loan into Equity Share Capital.

** For details relating to transfer of shares, please refer table (ii) mentioned in point 6 above.

10. Details of Promoters’ Contribution Locked-in for Three Years

Date of Allotment	Date when made Fully paid up	No. of shares Allotted/Acquired	Face Value	Issue Price/ Acquisition Price	Nature of Allotment	% Pre-Issue paid up capital (in shares)	% Post issue paid up capital (in shares)	Date up to which the specified securities are Lock-In
Mr. Ashokkumar Raghuram Thakker								
September 07, 2016	September 07, 2016	16,00,000	10	25	Allotment for consideration other than Cash	28.57	21.04	3 Years

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoter, **Mr. Ashokkumar Raghuram Thakker** has, by a written undertaking, consented to have 16,00,000 Equity Shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Draft Prospectus with NSE EMERGE till the date of commencement of lock-in period as stated in the Draft Prospectus. The Equity Shares under the Promoters contribution will constitute 21.04 % of our post-issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
33(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. Hence Eligible
33 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible
33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible.

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	public offer	
33 (1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>
33 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>

Details of Promoters' Contribution Locked-in for One Year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 40,00,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

- In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

12. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus:

Art Nirman Limited
I - Our Shareholding Pattern:-

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoter & Promoter Group	7	56,00,000	-	-	56,00,000	100.00	56,00,000	-	56,00,000	100.00	-	100.00	-	-	-	[●]	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	56,00,000	-	-	56,00,000	100.00	56,00,000	-	56,00,000	100.00	-	100.00	-	-	-	[●]	

*As on date of this draft prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

II - Shareholding pattern of the Promoter and Promoter Group

S.No.	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) as a % of	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
									Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI = VII+X	XII	XIII	XIV		
(1)	Indian																		
(a)	Individuals/ Hindu undivided Family																		
	Mr. Ashokkumar Raghuram	AARPT7698E	1	55, 94,995	-	-	55, 94,995	99.91	55, 94,995	-	55, 94,995	99.91	-	99.91	-	-	-	[•]	
	Mrs. Dharmisthabe n Ashokkumar Thakker	ACAPT0626R	1	5,000	-	-	5, 000	0.09	5, ,000	-	5, 000	0.09	-	0.09	-	-	-	[•]	

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	Ashokkumar Raghurambhai Thakker (HUF)	AAHHA5041 C	1	1	-	-	1	0.00	1	-	1	0.00	-	0.00	-	-	[●]
	Mr. Piyushkumar C. Thakkar	AEJPT8651B	1	1	-	-	1	0.00	1	-	1	0.00	-	0.00	-	-	[●]
	Mr. Alpeshkumar Chimanbhai Patel	AEAPP9489G	1	1	-	-	1	0.00	1	-	1	0.00	-	0.00	-	-	[●]
	Mr. Raghurambhai Varsambhai Thakker	AARPT7174R	1	1	-	-	1	0.00	1	-	1	0.00	-	0.00	-	-	[●]
	Raghurambhai V. Thakker (HUF)	AAAHT5332E	1	1	-	-	1	0.00	1	-	1	0.00	-	0.00	-	-	[●]
(b)	Central Government/ State Government(s)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Body Corporate	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	-	7	56,00,000	-	-	56,00,000	100.00	56,00,000	-	56,00,000	100.00	-	100.00	-	-	[●]
(2)	Foreign	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	7	56,00,000	-	-	56,00,000	100.00	56,00,000	-	56,00,000	100.00	-	100.00	-	-	[●]

*As on date of this draft prospectus 1 Equity share holds 1 vote.

III - Shareholding pattern of the Public shareholder

S.No.	Category & Name of the Shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total shares held (b)	No. (not applicable) (a)		As a % of total shares held (not applicable)(b)
									Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX			X	XI= VII+ X	XII	XIII	XIV			
(1)	Institutions																		
(a)	Mutual Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Venture Capital Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Alternate Investment Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Venture Capital Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Foreign Portfolio Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(g)	Insurance Companies	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(h)	Provident Funds/ Pension Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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

IV - Shareholding pattern of the Non Promoter- Non Public shareholder

S.No.	Category & Name of the Shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form (Not applicable)	
									No of Voting Rights					Total as a % of Total Voting rights	No.	As a % of total Shares held	No. (not applicable)		As a % of total shares held (not applicable)
									Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX			X	XI= VII+ X	XII	XIII		XIV		
(1)	Custodian/DR Holder																		
(a)	Name of DR Holder (if available)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (c) (1)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (C) (2)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Non- Promoter Non-Public shareholding (C) = (C)(1)+(C) (2)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

We are in the process of entering into tripartite agreement with NSDL. In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearings no. SEBI/Cir/ISD/05/2011 dated September 30, 2011, our Company shall ensure that the Equity Shares held by the Promoter and Promoter Group shall be in dematerialised prior to the filing of Prospectus with the RoC.

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Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares.

Art Nirman Limited
The Top Ten Shareholders of our Company and their Shareholding is set forth below:-

As on the date of the Draft Prospectus, our Company has 7 (Seven) shareholders.

a) Particulars of the top ten shareholders as on the date of filing of this Draft Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Ashokkumar Raghuram Thakker	55,94,995	99.91
2.	Mrs. Dharmisthaben Ashokkumar Thakkar	5,000	0.09
3.	Ashokkumar Raghurambhai Thakker (HUF)	1	0.00
4.	Mr. Piyushkumar C. Thakkar	1	0.00
5.	Mr. Alpeshkumar Chimanbhai Patel	1	0.00
6.	Mr. Raghurambhai Varsambhai Thakker	1	0.00
7.	Raghurambhai V. Thakker (HUF)	1	0.00
	Total	56,00,000	100.00

b) Particulars of the top ten shareholders ten days prior to the date of filing of this Draft Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)*
1.	Mr. Ashokkumar Raghuram Thakker	39,94,977	99.87
2.	Mrs. Dharmisthaben Ashokkumar Thakkar	5,000	0.13
3.	Mr. Mohanlal Sukhram Krishnani	2	0.02
4.	Mr. Sukhram N. Krishnani	2	0.02
5.	Mr. S.R. Patel	1	0.01
6.	Mr. Alpeshkumar Chimanbhai Patel	1	0.01
7.	Mr. Arun D. Patel	1	0.01
8.	Mr. Shitalbhai Rameshbhai Patel	1	0.02
9.	Ashokkumar Raghurambhai Thakker (HUF)	1	0.01
10.	Mr. Bhavin Sureshbhai Thakkar	1	0.01
	Mr. Devchand Kantilal Panchiwala	1	0.01
	Ms. Harshaben S. Patel	1	0.01
	Ms. Jayantiji Malaji	1	0.01
	Mr. Kirit R. Thakker	1	0.01
	Ms. Manjulaben Rasiklal	1	0.01
	Mr. Raghurambhai Varsambhai Thakker	1	0.01
	Ms. Neetaben D. Patel	1	0.01
	Raghurambhai V. Thakker (HUF)	1	0.01
	Mr. Rameshchandra Shitaldas Patel	1	0.01
	Mr. Rameshwar S. khatri	1	0.01
	Rasiklal Dayarambhai (HUF)	1	0.01
	Mr. Shrishbhai Gopalbhai Patel	1	0.01
	Mr. Virambhai Rudabhai Gamara	1	0.01
	Total	40,00,000	100.00

*Details of shares held on Ten days prior to the date of filing of Draft Prospectus and Percentage held has been calculated based on the paid up capital of our Company as on Ten days prior to the date of filing Draft Prospectus.

c) Particulars of the top ten shareholders two years prior to the date of filing of this Draft Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)*
1.	Mr. Ashokkumar Raghuram Thakker	4,977	49.77
2.	Mrs. Dharmisthaben Ashokkumar Thakkar	5,000	50.00
3.	Mr. Mohanlal Sukhram Krishnani	2	0.02
4.	Mr. Sukhram N. Krishnani	2	0.02
5.	Mr. S.R. Patel	1	0.01
6.	Mr. Alpeshkumar Chimanbhai Patel	1	0.01
7.	Mr. Arun D. Patel	1	0.01
8.	Mr. Shitalbhai Rameshbhai Patel	1	0.02
9.	Ashokkumar Raghurambhai Thakker (HUF)	1	0.01
10.	Mr. Bhavin Sureshbhai Thakkar	1	0.01
	Mr. Devchand Kantilal Panchiwala	1	0.01
	Ms. Harshaben S. Patel	1	0.01
	Ms. Jayantiji Malaji	1	0.01
	Mr. Kirit R. Thakker	1	0.01
	Ms. Manjulaben Rasiklal	1	0.01
	Mr. Raghurambhai Varsambhai Thakker	1	0.01
	Ms. Neetaben D. Patel	1	0.01
	Raghurambhai V. Thakker (HUF)	1	0.01
	Mr. Rameshchandra Shitaldas Patel	1	0.01
	Mr. Rameshwar S. khatri	1	0.01
	Rasiklal Dayarambhai (HUF)	1	0.01
	Mr. Shrishbhai Gopalbhai Patel	1	0.01
	Mr. Virambhai Rudabhai Gamara	1	0.01
	Total	10,000	100.00

*Details of shares held on two years prior to the date of filing of Draft Prospectus and Percentage held has been calculated based on the paid up capital of our Company as on two years prior to the date of filing Draft Prospectus.

14. As on the date of Draft Prospectus, there are no public shareholders holding more than 1% of the pre-Issue share capital of our Company.
15. Except as provided below, there has been no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of this Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.

S. No.	Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares sold	Subscribed/ Acquired/ Transferred
1.	Mr. Ashokkumar Raghuram Thakker	March 01, 2016	Promoter and Managing Director	39,90,000	-	Allotted for consideration other than cash
		September 07, 2016		16,00,000		

16. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:

S.No.	Name	Designation	No. of Equity Shares held
1.	Mr. Ashokkumar Raghuram Thakker	Chairman and Managing Director	55,94,995
2.	Mrs. Dharmisthaben Ashokkumar Thakkar	Non Executive Director	5,000

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.
18. Neither, we nor our Promoters, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
19. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
20. As on the date of this Draft Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up.
21. Our Company has not raised any bridge loan against the proceeds of the Issue.
22. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up equity shares
23. As on the date of this Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
24. The Lead Manager i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of Draft Prospectus.
25. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
26. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
27. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
28. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this 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 Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

29. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
30. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
31. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
32. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
33. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
34. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
35. As on the date of this Draft Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
36. There are no Equity Shares against which depository receipts have been issued.
37. Other than the Equity Shares, there is no other class of securities issued by our Company.
38. We have 7 (Seven) shareholders as on the date of filing of the Draft Prospectus.
39. There are no safety net arrangements for this public issue.
40. As per RBI regulations, OCBs are not allowed to participate in this issue.
41. Our Promoters and Promoter Group will not participate in this Issue.
42. This Issue is being made through Fixed Price method.
43. Except as stated in this Draft Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
44. No person connected with the Offer shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
45. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 20,04,000 Equity Shares of our Company at an Issue Price of ₹ 25.00 per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:

1. To meet Working Capital Requirement
2. General Corporate Purpose
3. To Meet the Issue Expenses

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (“NSE EMERGE”). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our Company is a real estate development and construction company primarily focusing on development of residential and commercial projects in Ahmedabad. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

Requirement of Funds:-

The following table summarizes the requirement of funds:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	425.00
2.	General Corporate Purpose	[●]
2.	To meet the Issue Expenses	[●]
	Gross Issue Proceeds	501.00
	Less: Issue Expenses	[●]
	Net Issue Proceeds	[●]

Utilisation of Net Issue Proceeds: The Net Issue Proceeds will be utilised for following purpose:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	425.00
2.	General Corporate Purpose	[●]
	Total	[●]

Means of Finance: - We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (₹ in Lacs)
Net Issue Proceeds	[●]
Total	[●]

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

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

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

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

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 16 of the Draft Prospectus.

Details of Use of Issue Proceeds:

1. To Meet Working Capital Requirement

Our business is working capital intensive and we are required to provide sufficient credit period to our customers. 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 ₹ 1584.44 Lacs for FY 2016- 2017. We intend to meet our working capital requirements to the extent of ₹ 501.00 Lacs from the Net Proceeds of this Issue and the balance will be met from borrowings at an appropriate time as per the requirement.

Basis of Estimation of Working Capital requirement and Estimated Working Capital requirement are as follows:
(Rs in Lacs)

S. No.	Particulars	Actual (Restated)	Estimated
		31-March-16	31-March-17
I	Current Assets		
	Inventories	1563.19	1655.14
	Trade receivables	-	166.67
	Cash and Bank Balances	28.79	115.29
	Advances for Materials / Expenses & Other Advances	125.33	300.00
	Other Current Assets (including Tax Deducted at Source/ Advance Tax)	4.13	70.50
	Total(A)	1721.44	2307.60
II	Current Liabilities		
	Short – Term Borrowings (Other than Bank)	-	-
	Trade payables	378.30	83.33
	Customer Advances against Order	711.23	500.00
	Tax provision & Other Statutory Dues	8.93	69.43
	Trade Deposits	45.40	45.40

S. No.	Particulars	Actual (Restated)	Estimated
		31-March-16	31-March-17
	Term Liabilities due within one year	8.97	-
	Other Current Liabilities	6.25	25.00
	Total (B)	1159.08	723.16
III	Total Working Capital Gap (A-B)	562.36	1584.44
IV	Funding Pattern		
	Internal Accruals (including Loan)	562.36	1159.44
	IPO Proceeds		425.00

Justification:

S. No.	Particulars
Inventories (Raw Materials)	We expect Inventory levels of Raw Materials to be at 1 month for F.Y. 2016-17 based on our increased level of operations.
Inventories (WIP & Finished Goods)	We expect Inventory levels of WIP and Finished Goods to be at 9 months for F.Y. 2016-17 based on our increased level of operations.
Creditors	We expect our Creditors Holding Period to be at 15 days for FY 2016-17 due to increase in cash inflow and prompt payment by us.
Debtors	We expect our Debtors Holding Period to be at 15 days for F.Y. 2016-17 based on our better Credit Management Policies.

2. General Corporate Purposes:-

We propose to deploy ₹ [●] lakhs, aggregating to [●]% of the Proceeds of the Fresh Issue towards general corporate purposes, including but not restricted to for our working capital requirements, bank deposits, deposits for renting or otherwise acquiring business premises, margin money, acquiring business assets, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, starting new products or services, obtaining new or enabling accreditations and licenses, investment in business venture, strategic alignment, strategic initiatives as per the objects of the Company, expansion into new geographies, investment in securities, brand building exercises, strengthening of our marketing capabilities, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

3. Public Issue Expenses

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ [●] Lakhs which is [●] of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	(₹ in Lacs)
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses	[●]

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Printing, Stationery and postage expenses and Advertising & Marketing expenses	[•]
Regulatory fees and Other expenses	[•]
Total Estimated Issue Expenses	[•]

Proposed year-wise Deployment of Funds and Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

S. No.	Particulars	Amount (₹ In Lacs) to be deployed and utilized in F.Y. 16-17
1.	To Meet Working Capital Requirement	425.00
2.	General Corporate Purposes	[•]
	Total	[•]

Funds Deployed and Source of Funds Deployed:

Our Peer Review Auditor, SVK & Associates, Chartered Accountants vide their certificate dated September 07, 2016 have confirmed that as on the date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lacs)
Issue Expenses	5.00
Total	5.00

Sources of Financing for the Funds Deployed:

Our Peer Review Auditor, SVK & Associates, Chartered Accountants vide their certificate dated September 07, 2016 have confirmed that as on the date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lacs)
Internal Accruals	5.00
Total	5.00

Appraisal

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 available quotations 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.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and/or unsecured Loans.

Bridge Financing Facilities

As on the date of this Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

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The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

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

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. 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 Net Proceeds. No part of the Net Proceeds 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 ISSUE

Authority for the Present Issue

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated September 03, 2016 and by the shareholders pursuant to a special resolution in an Annual General Meeting held on September 07, 2016 under section 62 (1) (c) of the Companies Act, 2013.

Terms of the Issue

The Equity Shares, now being offered, are subject to the terms and conditions of the 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 Exchange, 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.

Face Value	Each Equity Share shall have the face value of Rs 10.00 each.
Issue Price	Each Equity Share is being offered at a price of Rs 25.00 each and is 2.5 times of Face Value.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 6,000 (Six Thousand) and in the multiple of 6,000; subject to a minimum allotment of 6,000 Equity Shares to the successful applicants.
Terms of Payment	100% of the issue price of Rs 25.00 each shall be payable on Application. For more details please refer “Issue Procedure” beginning to page 248 of this Draft Prospectus.
Ranking of the Equity Shares	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. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “Main Provisions of Articles of Association” on page 291 of this Draft Prospectus.

MINIMUM SUBSCRIPTION

In accordance with Regulation [106P](1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P](1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive the subscription of 100% of the Issue including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith unblocking the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed in the companies Act, the SEBI (ICDR) Regulations and other applicable Laws, if any.

Further, In accordance with Regulation [106R] of SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

For further details, please refer to section titled "Terms of the Issue" beginning on page 239 of this Draft Prospectus

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Financial Information of the Company" beginning on page 16, 108 and 158 respectively of the Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is Rs 10.00 each and the Issue Price is Rs 25.00 which is 2.5 times of the face value.

QUALITATIVE FACTORS

- Good Knowledge of the market and regulatory environment in Ahmedabad
- Experienced management team
- Focus on Quality Construction

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled "*Our Business*" beginning on page 108 of the Draft Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company's restated financial statements for the financial year ended 2014, 2015 and 2016 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS), as adjusted:

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2013-14	22.42	1
2.	FY 2014-15	18.87	2
3.	FY 2015-16	13.54	3
	Weighted Average	16.80	6

Notes:

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is Rs 10.00.
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – "Earnings per Share"** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

2. Price Earning (P/E) Ratio in relation to the Issue Price of Rs 25.00 :

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as adjusted for FY 2015-16	1.85
2	P/E ratio based on the Weighted Average EPS, as adjusted for FY 2015-16	1.49

Peer Group P/ E*

S. No	Particulars	P/E
1	Highest (Godrej Properties Limited)	267.10
2	Lowest (Gammon India Limited)	2.3
	Industry Composite (Construction)	25.3

*Source: Capital Market dated Jul 18, 2016 – Jul 31, 2016; Vol: XXXI/11; Construction

3. Return on Net Worth (RoNW)*

S. No	Period	RONW (%)	Weights
1	F.Y. 2013-14	91.62%	1
2	F.Y. 2014-15	43.54%	2
3	F.Y. 2015-16	10.46%	3
	Weighted Average	35.01%	

*Restated Profit after tax/Net Worth

4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS

(a) Based on Basic and Diluted EPS, as adjusted of FY 2015-16 of ₹ 13.54 at the Issue Price of ₹ 25.00 :

- 76.18% on the restated financial statements.

(b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 16.80 at the Issue Price of ₹ 25.00 :

- 94.51% on the restated financial statements.

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

S. No.	As at	NAV (₹)
1.	March 31, 2014	24.48
2.	March 31, 2015	43.35
3.	March 31, 2016	11.26
4.	NAV after Issue	17.77
	Issue Price	25.00

6. Comparison of Accounting Ratios with Industry Peers¹

S. No.	Name of Company	Results Type	Face Value (₹)	EPS (₹)	PE	RoNW (%)	NAV per Share (₹)
1	Godrej Properties Limited	Standalone	5.00	1.4	267.10	4.6	97.10
2	Ajmera Realty & Infra (I) Limited	Standalone	10.00	9.6	16.2	6.2	110.5
3	Sunteck Realty Limited	Standalone	2.00	22.20	10.60	13.7	112.00
4	Ashiana Housing Limited	Standalone	2.00	12.80	13.7	9.7	50.90
5	Art Nirman Limited ²	Standalone	10.00	156.49 ³	0.16 ⁴	7.56	4342.79

¹ Source: Capital Market dated Jul 18, 2016 – Jul 31, 2016; Vol: XXXI/11; Construction

² Based on March 31, 2016 restated financial statements

³ Basic & Diluted Earnings per share (EPS), as adjusted.

⁴ Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 25.00

The peer group identified is broadly based on the products range that our Company is engaged into, but our scale of operations is not comparable to them. Also, we believe that considering the products range of Our Company, the peers are not strictly comparable.

7. The face value of our shares is Rs 10.00 per share and the Issue Price is of Rs 25.00 per share is 2.5 times of the face value.

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Our Company in consultation with the Lead Manager believes that the Issue Price of Rs 25.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

STATEMENT OF TAX BENEFITS

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO ART NIRMAN LIMITED AND ITS SHAREHOLDERS
UNDER THE APPLICABLE LAWS IN INDIA**

To,

**The Board of Directors,
Art Nirman Limited,
14, JBR Arcade, 2nd Floor, Near R.K. Royal Hall,
Science City Main Road, Sola,
Ahmedabad – 380-060, Gujarat.**

Dear Sirs,

**Sub: Statement of Possible Tax Benefits Available to the Company and its shareholders with regards to
Initial Public Offer of Art Nirman Limited**

We hereby report that the enclosed statement provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax-advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

- (i) 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.

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

**FOR SVK & Associates
Chartered Accountants
[Firm Registration No. 118564W]**

**Sd/-
Shilpang V. Karia
Partner
[M. No. 102114]
Place : Ahmedabad
Date : 7th September, 2016**

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

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India.

I. Benefits available to the Company under the Income Tax Act, 1961

(i) Special Tax Benefits

There are no special tax benefits available to the Company

(ii) General Tax Benefits

The Income Tax Act, 1961 presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependent on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

(a) Business Income

1. The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Income Tax Act, 1961.
2. Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.
3. As per the provisions of section 32(1)(iia) of the Act, The company is entitled to claim additional depreciation of 20% of the actual cost of any new machinery or plant which has been acquired and installed after 31st March, 2005 subject to fulfilment of conditions prescribed therein.
4. As per provisions of Section 35 (1) (ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid. Under Section 35 (1) (iia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the scientific research and development, and being approved by the prescribed authority and such other conditions as may be prescribed, shall also qualify for a deduction of one and three fourth times the amount so paid.
5. As per provisions of Section 35(2AA) of the Act, any contribution made Notified Institutions i.e. National Laboratory, University, Indian Institute of Technology, specified persons as approved by the prescribed authority, is available to the extent of two times of such payment made.
6. As per the provisions of Section 35D of the Act, any specified preliminary expenditure incurred, after 31 March 1998 by an Indian company before the commencement of its business or after commencement of its business, in connection with the extension of an undertaking or setting up a new unit, shall be allowed a deduction of an amount equivalent to one-fifth of such expenditure for each of the five successive financial years beginning with the financial year in which the extension of the undertaking is completed or the new unit commences production or operation. However, any expenditure in excess of 5% of the cost of the project or the capital employed in the business of the Company, shall be ignored for the purpose of computing the deduction allowable under section 35D of the Act.
7. As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, on or after 1 April 1999, wholly and exclusively for the purpose of amalgamation or demerger of an undertaking, shall be allowed a deduction of an

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amount equal to one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation or demerger takes place.

8. As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction for one-fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal installments for each of the four immediately succeeding financial years.
9. As per the provisions of Section 35CCD of the Act, if a Company incurs any expenditure (not being in the nature of cost of any land or building) on any skill development project notified by the Central Board of Direct Taxes in this behalf in accordance with the guidelines as may be prescribed, then, the Company shall be allowed a deduction of sum equal to one and one-half times of such expenditure.
10. As per the newly inserted explanation to Section 37 of the Act, any expenditure incurred by the Company on the activities relating to corporate social responsibility ('CSR') referred to in section 135 of the Companies Act, 2013 shall not be deemed to be an expenditure incurred by the Company for the purpose of the business or profession. However, CSR expenditure which is of the nature described in provisions of section 30 to section 36 of the Act shall be allowed as deduction under respective sections, subject to fulfilment of conditions, if any, specified therein.
11. As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.
12. As per the provisions of Section 72A of the Act, pursuant to business re-organizations, such as amalgamation, demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company subject to fulfilment of prescribed conditions.

(b) MAT Credit

1. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after 1st April, 2006 will be available as credit to the extent specified in section 115JAA against normal income-tax payable in subsequent assessment years.

Minimum Alternative Tax as follows:-

Book Profit	A.Y. 2017-18		
	Tax	Surcharge	Cess
If Book Profits are less than or equal to 1 Cr	18.5%	--	3%
If Book Profits are Greater than 1 Crore but do not exceed 10 Crore	18.5%	7%	3%
If Book Profits are Greater than to 10 Crore	18.5%	12%	3%

2. In accordance with the provisions of Section 115JAA, from Assessment Year 2010-11 the MAT credit is available for ten years succeeding the Assessment Year in which MAT credit becomes allowable.
3. MAT credit shall be allowed for any Assessment Year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year.

(c) Capital Gains

(i) Computation of Capital Gains

1. Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets and twenty four month in case of assets being shares of unlisted Company.
2. Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
3. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less and twenty four month in case of assets being shares of unlisted Company.
4. Capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short–term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets.
5. Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than twenty four months.
6. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
7. Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
8. As per the provisions of Section 48 of the Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
9. As per the provisions of section 111A, short term capital gains arising from the transfer of equity shares in any company or units of an equity oriented mutual fund transacted through a recognized stock exchange shall be subject to tax @ 15% provided such a transaction is entered in after the 1st day of Oct, 2004 and transaction is subject to security transaction tax. Further, short term capital gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge plus education cess plus higher education cess) in case of a company. No deduction under Chapter VIA is allowed from such income.
10. As per the provisions of section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge plus education cess plus higher education cess with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge plus education cess plus higher education cess of the capital gains as

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computed after indexation of the cost; or b. 10% (plus applicable surcharge plus education cess plus higher education cess) of the capital gains as computed without indexation. However, Finance Act, 2014 has amended the provisions of section 112 allowing the concessional rate of tax of ten per cent on long term capital gain to listed securities (other than unit) and zero coupon bonds.

11. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.
12. As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
 - a. where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
 - b. where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
13. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
14. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income-tax

1. As per the provisions of section 54D of the Act and subject to the conditions to the extent specified therein, capital gains arising on compulsory acquisition of land & building or any right therein used by an industrial undertaking, will be exempt from tax if the capital gains are invested in —land, building, or any right therein within 3 years from the date of compulsory acquisition for the purpose of shifting / re-establishing/ setting up another industrial undertaking subject to lower of Capital Gain or the Cost of acquisition of new land and building.
2. In accordance with and subject to the conditions and to the extent specified in section 54EC of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
 - a. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - b. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 during any financial year as well as capital gain arising from transfer of one or more original assets.

Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

(d) Securities Transaction Tax (STT)

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As per the provisions of Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Dividends

1. U/s 10(34) read with section 115-O of the Act, dividend income (whether interim or final) in the hands of the company as distributed or paid by any other domestic on or after April 1, 2004 is completely exempt from tax in the hands of the company.
2. The domestic company distributing dividends will be liable to pay dividend distribution tax at the applicable rate on net basis on the amount of dividend payable applicable surcharge and education cess and secondary and higher education cess on the amount of dividend distribution tax and surcharge thereon)
3. Further w.e.f 1st October 2014, Finance Act 2014, has amended section 115-O in order to provide that for the purpose of determining the tax on distributed profits payable in accordance with the section 115-O, any amount which is declared, distributed or paid by any domestic Company out of current or accumulated profit on or after 1 April 2003 is to be reduced by any amount of dividend as received by the company from its subsidiary or from foreign companies during the financial year, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to the net distributed profits.
4. Therefore, the amount of distributable income and the dividends which are actually received by the unit holder of mutual fund or shareholders of the domestic company need to be grossed up for the purpose of computing the additional tax.
5. Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
6. As per section 10(35) of the Act, the following income will be exempt from tax in the hands of the Company:
 - (i) Income received in respect of the units of a Mutual Fund specified under section 10(23D) (other than income arising from transfer of such units); or
 - (ii) Income received in respect of units from the Administrator of the specified undertaking; or
 - (iii) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) —Administratorl means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) —Specified Companyl means a company as referred to in section 2(h) of the said Act.

7. As per the provisions of section 115BBD of the Act, dividend Received by an Indian company from a Specified Foreign Company (in which it has shareholding of 26% or more) would be taxable at the Concessional rate of 15% on gross basis (excluding surcharge and Education cess).
8. For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable. By a domestic company, the dividend received from a foreign Subsidiary on which income-tax has been paid by the Domestic Company under section 115BBD of the Act shall be reduced.
9. As per Section 80JJAA, where the gross total income of an assessee includes any profit and gain derived from manufacture of goods in a factory, there shall, subject to the condition specified in subsection (2), be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in such factory, in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment in provided.

(f) Tax Treaty Benefits

As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries

(g) Buy Back of Shares

As per section 115QA of the Act, an Indian unlisted company will have to pay 20% tax on distributed income on buyback of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from 1 June 2013.

(h) Other Provisions

1. As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.
2. As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

II. Benefits available to Resident Shareholders under the Income Tax Act, 1961

(i) Special Tax Benefits

There are no special tax benefits available to the shareholders of the Company.

(ii) General Tax Benefits

• **Business Income**

As per the provisions of Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

• **Dividends**

As per the provisions of section 10(34) read with section 115-O of the Act, dividend (whether interim or final) declared, distributed or paid by the domestic company on or after 1st April, 2004 is completely exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities or units, where such securities or units are bought or acquired within a period of three months prior to the record date and such securities or units are sold or transferred within three or nine months respectively from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.

• **Capital Gains**

(i) Computation of Capital Gains

1. Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an

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assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains (‘LTCG’). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets and twenty four month in case of assets being shares of unlisted Company.

2. Short Term Capital Gains (‘STCG’) means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
3. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less and twenty four month in case of assets being shares of unlisted Company.
4. Finance Act, 2014 has amended section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short–term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after 10th July, 2014.
5. Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than twenty four months .
6. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
7. The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act. However, in case the shareholder is a Company, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.
8. As per the provisions of Section 48 of the Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
9. As per the provisions of section 111A, short term capital gains arising from the transfer of equity shares in any company or units of an equity oriented mutual fund transacted through a recognized stock exchange shall be subject to tax @ 15% provided such a transaction is entered in after the 1st day of Oct, 2004 and transaction is subject to security transaction tax. Further, short term capital gains as computed above that are not liable to STT would be subject to tax at a rate applicable to the assessee (plus applicable surcharge plus education cess plus higher education cess). No deduction under Chapter VIA is allowed from such income.
10. As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
11. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.

12. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
13. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income-tax

1. In accordance with and subject to the conditions and to the extent specified in section 54EC of the act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
 - (a) National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - (b) Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 during any financial year as well as capital gain arising from transfer of one or more original assets. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

2. In addition to the same, some benefits are also available to a resident shareholder being an individual or HUF.
3. As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years from the date of transfer.
4. As per provisions of Section 56(2)(vii) of the Income Tax Act and subject to exception provided in second proviso therein, where an individual or a HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value (as defined) of the shares and securities by an amount exceeding Rs. 50,000, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head —income from other sources. However, the said section is not applicable in case the shares and securities are received from the specified persons referred in the proviso to said section.
5. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

• **Buy Back of Shares**

As per the Finance Act 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.

• **Other Provisions**

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1. As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
2. The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
3. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500/- per minor child.

III. Tax Benefits available to the Non-Resident Indian Shareholders

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April

2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family („HUF”) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
 6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where

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such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:
 - i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the nonresident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionaly taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
 - ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
 - iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
 - iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
 - v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.
8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Tax Benefits available to the Foreign Institutional Investors ("FIIs")

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of Income	Rate of Tax (%)
Long-Term Capital Gain	10
Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
 7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII’s could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Tax Benefits Available To Mutual Funds

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

VI. Tax Benefits Available To Venture Capital Companies/Funds

Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for

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investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

Benefits available under the Gift Tax Act: Gift tax is not leviable in respect of any gifts made on or after 1st October 1998. Therefore, any gift of shares of the Company will not attract gift tax in the hands of the donor.

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

NOTES:

1. All the above possible benefits are as per the current tax laws as amended by the Finance Act, 2015.
2. All the above possible benefits are as per the current tax laws and will be available only to the sole / first named holder in case the shares are held by joint holder.
3. In respect of non-residents, tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-residential has fiscal domicile.
4. In the above statement only basic tax rates have been enumerated and the same is subject to applicable surcharge plus education cess plus higher education cess, wherever applicable.
5. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
6. In view of the individual nature of tax consequence, each investor is advised to consult his/her /its own tax advisor with respect of specific tax consequence of his / her / its participation in the scheme. The share holder is also advised to consider in his / her / its own case, the tax implication of an investment in equity Shares, particularly in view of the fact that certain recently enacted legislation may not have direct legal precedent or may have a different interpretation on the benefits which investor can avail.

For SVK & ASSOCIATES
Chartered Accountants
Firm No. – 118564W

Sd/-
Shilpang V. Karia
Partner
M. No.: 102114

Place: Ahmedabad
Date: 7th September, 2016

SECTION IV– ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investors should not place undue reliance on information. Investors should read the entire Draft Prospectus, including the information contained in the chapter titled “Risk Factors” and “Auditor’s Report on Restated Financial Statements ” and related notes beginning on page 16 and 158 of the Draft Prospectus before deciding to invest in our Equity Shares.

Global Economic Overview

Since the Economic Survey and Budget were presented a year ago, the Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Inflation, the fiscal deficit, and the current account deficit have all declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors.

At the same time, the upcoming Budget and 2016-17 (FY2017) economic policy more broadly, will have to contend with an unusually challenging and weak external environment. Although the major international institutions are yet again predicting that global growth will increase from its current subdued level, they assess that risks remain tilted to the downside. This uncertain and fragile outlook will complicate the task of economic management for India.

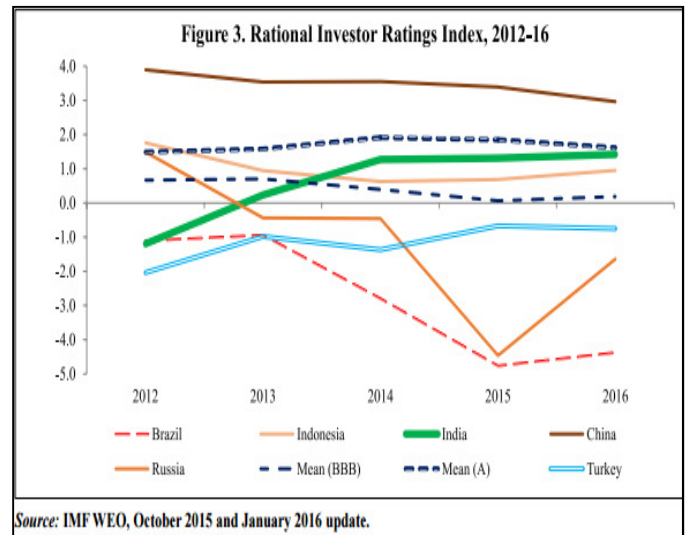
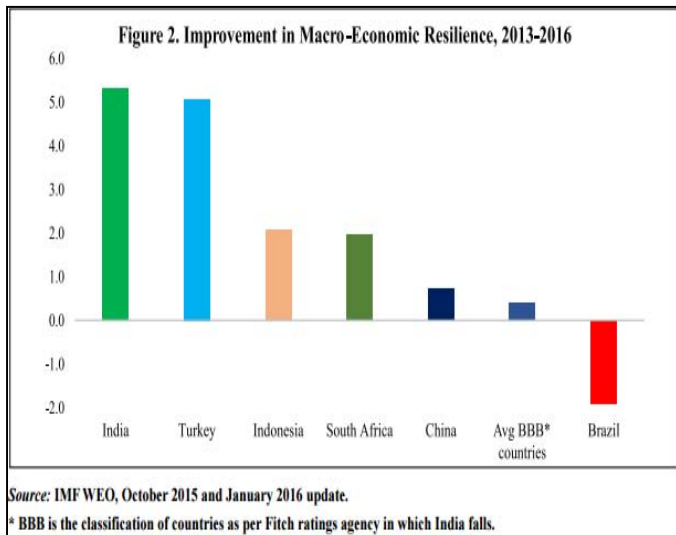
The risks merit serious attention not least because major financial crises seem to be occurring more frequently. The Latin American debt crisis of 1982, the Asian Financial crisis of the late 1990s, and the Eastern European crisis of 2008 suggested that crises might be occurring once a decade. But then the rapid succession of crises, starting with Global Financial Crisis of 2008 and proceeding to the prolonged European crisis, the mini-crises of 2013, and the China provoked turbulence in 2015 all hinted that the intervals between events are becoming shorter.

This hypothesis could be validated in the immediate future, since identifiable vulnerabilities exist in at least three large emerging economies—China, Brazil, Saudi Arabia—at a time when underlying growth and productivity developments in the advanced economies are soft. More flexible exchange rates, however, could moderate full-blown eruptions into less disruptive but more prolonged volatility.

One tail risk scenario that India must plan for is a major currency re-adjustment in Asia in the wake of a similar adjustment in China; as such an event would spread deflation around the world. Another tail risk scenario could unfold as a consequence of policy actions—say, capital controls taken to respond to curb outflows from large emerging market countries, which would further moderate the growth impulses emanating from them.

In either case, foreign demand is likely to be weak, forcing India—in the short run—to find and activate domestic sources of demand to prevent the growth momentum from weakening. At the very least, a tail risk event would require Indian monetary and fiscal policy not to add to the deflationary impulses from abroad. The consolation would be that weaker oil and commodity prices would help keep inflation and the twin deficits in check.

(Source: Economic Survey 2015-16- Volume-I; www.indianbudget.nic.in)



(Source: - <http://www.indiabudget.nic.in/es2015-16/echapvol1-01.pdf>)

Asian Economy Overview

Growth in the Emerging Asia region (Southeast Asia, China and India) shows mild moderation but will remain robust at an average rate of 6.5% real gross domestic product (GDP) growth in 2015. In the medium term, growth in the region is projected to average 6.2% per year over 2016-20, according to the most recent Medium-Term Projection Framework for this edition of the Outlook (MPF-2016) as per below figure. This is noticeably below the 7% rate of growth over 2011-13, due mainly to China’s slowing growth. The growth slowdown in China will also place downward pressure on growth in the rest of the region. The ten ASEAN countries together are projected to grow at 4.6% in 2015 with an annual average rate of 5.2% over 2016-20. In general, the Southeast Asia region will maintain a favourable growth performance in the medium term

(Source - http://www.oecd.org/dev/asia-pacific/SAEO2016_Overview%20with%20cover%20light.pdf)

Table 1. Real GDP growth of ASEAN, China and India

Annual percentage change

Country	2014	2015	2016	2016-20 (average)	2011-13 (average)
ASEAN-5					
Indonesia	5.0	4.7	5.2	5.5	6.2
Malaysia	6.0	4.6	4.6	5.0	5.2
Philippines	6.1	5.9	6.0	5.7	5.9
Thailand	0.9	2.7	3.1	3.6	3.2
Viet Nam	6.0	6.4	5.9	6.0	5.6
Brunei Darussalam and Singapore					
Brunei Darussalam	-2.3	-1.4	0.5	1.8	0.9
Singapore	2.9	2.1	2.4	2.6	4.1
CLM countries					
Cambodia	7.0	7.0	7.1	7.3	7.3
Lao PDR	7.4	6.9	7.0	7.3	8.1
Myanmar	7.7	8.2	8.2	8.3	6.9
China and India					
China	7.3	6.8	6.5	6.0	8.2
India	7.3	7.2	7.3	7.3	5.5
Average of ASEAN 10 countries	4.6	4.6	4.9	5.2	5.4
Average of Emerging Asia	6.7	6.5	6.4	6.2	7.0

 (Source - http://www.oecd.org/dev/asia-pacific/SAEO2016_Overview%20with%20cover%20light.pdf)

Growth prospects in Emerging Asia

The Philippines and Viet Nam are projected to show robust growth at an annual average rate of around 6% over 2016-20. Viet Nam's growth has been led by a rapid acceleration of fixed investment, strong foreign direct investment (FDI) inflows and robust consumption. Together, these components account for most of overall real growth, as net exports have restrained overall growth due to strong imports. In general, the private sector's performance has improved, with strong retail sales growth, although structural adjustments in the state-owned enterprise and banking sectors will weigh on growth somewhat. The Philippines has benefitted from strong momentum in domestic demand, buoyed by growing remittances. The Philippines is also benefitting from a significant improvement in its attractiveness as an FDI destination. Growth prospects reflect the countries' improved macroeconomic fundamentals and their plans to develop infrastructure. However, risks remain as job creation and the business environment need to be improved.

Indonesia, Southeast Asia's largest economy, has experienced mild moderation in its real growth with both domestic and external demand slowing to 5.5% in the medium term. Private consumption has expanded moderately. The government has attempted to boost investment by doubling the infrastructure budget for 2015, but execution has been delayed. While the Indonesian currency has depreciated considerably, partly due to falling commodity prices, export growth has been very weak on the back of stagnant external demand. Economic growth in Malaysia weakened during the first half of 2015. The weakness was caused by deteriorating external demand as a result of the economic slowdown in China, its major trading partner, and by the persistence of low international oil prices in the first half of the year. However, the ringgit's depreciation may support non-commodity exports in the future.

While political turmoil had a large negative impact on growth in Thailand in 2014, the country experienced modest GDP growth of 2.7% in 2015. While exports remain weak, the recovery in tourist arrivals that began in the summer of 2014 and continued into 2015 is a promising sign. However, the transition process to democracy must be monitored carefully to ensure that it does not lead to macroeconomic instability. Thailand's growth performance in the medium term should improve gradually from that of recent years

Growth performance in Brunei Darussalam and Singapore is projected to improve considerably over the medium term despite the recent international oil price shock and weaker than expected global growth compared to the past few years. Rising oil prices will

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allow Brunei Darussalam to record positive growth. Labour shortages and slowing productivity growth will keep Singapore's real growth noticeably below the pace of 2003-07. Singapore's weak performance is largely attributable to slowing domestic demand. While service-sector growth has declined compared to 2014, it continues to prop up overall growth, particularly due to strong contributions from finance, insurance and business services.

Growth in the CLM countries (Cambodia, Lao PDR and Myanmar) is projected to lead that of the ASEAN region, with real GDP growth rates of more than 7% over 2016-20. Recovery of the agricultural sector and development of the tourism sector and industry will underpin real growth in Cambodia and Lao PDR. Growth in Myanmar, which is now the fastest in the region, should continue to accelerate as FDI continues to rise and as economic reforms spur the private sector's rapid development. Prospects in these countries, however, will depend on maintaining adequate control of rapidly rising credit and, especially in Myanmar, on sustaining the momentum of economic reforms.

The growth prospects of China and India are expected to differ from past patterns as they face different internal conditions. China's economy slows while India's growth remains robust over the medium term. Continued investment in infrastructure in China is helping to support overall investment, though this stimulus is unsustainable in the longer term. Growth is slipping elsewhere as adjustments are underway in manufacturing to manage longstanding challenges from excess capacity. India, on the other hand, is seeing increased investment rates, thanks to public infrastructure development and private investment motivated by improvements in the business environment, though passing some key structural reforms is proving difficult. Private consumption is also increasing, thanks in part to higher wages and improved benefits for public sector employees. Domestic financial risks remain potential barriers to continued growth in India, particularly large non-performing loans and the high leverage ratios of some firms.

(Source - http://www.oecd.org/dev/asia-pacific/SAEO2016_Overview%20with%20cover%20light.pdf)

Indian economy Overview

With 1.2 billion people and the world's fourth-largest economy, India's recent growth and development has been one of the most significant achievements of our times. Over the six and half decades since independence, the country has brought about a landmark agricultural revolution that has transformed the nation from chronic dependence on grain imports into a global agricultural powerhouse that is now a net exporter of food. Life expectancy has more than doubled, literacy rates have quadrupled, health conditions have improved, and a sizeable middle class has emerged. India is now home to globally recognized companies in pharmaceuticals and steel and information and space technologies, and a growing voice on the international stage that is more in keeping with its enormous size and potential.

Historic changes are unfolding, unleashing a host of new opportunities to forge a 21st-century nation. India will soon have the largest and youngest workforce the world has ever seen. At the same time, the country is in the midst of a massive wave of urbanization as some 10 million people move to towns and cities each year in search of jobs and opportunity. It is the largest rural-urban migration of this century.

The historic changes unfolding have placed the country at a unique juncture. How India develops its significant human potential and lays down new models for the growth of its burgeoning towns and cities will largely determine the shape of the future for the country and its people in the years to come.

Massive investments will be needed to create the jobs, housing, and infrastructure to meet soaring aspirations and make towns and cities more livable and green. Generating growth that lifts all boats will be key, for more than 400 million of India's people—or one-third of the world's poor—still live in poverty. And, many of those who have recently escaped poverty (53 million people between 2005-10 alone) are still highly vulnerable to falling back into it. In fact, due to population growth, the absolute number of poor people in some of India's poorest states actually increased during the last decade.

Inequity in all dimensions, including region, caste and gender, will need to be addressed. Poverty rates in India's poorest states are three to four times higher than those in the more advanced states. While India's average annual per capita income was \$1,410 in 2011—placing it among the poorest of the world's middle-income countries—it was just \$436 in Uttar Pradesh (which has more people than Brazil) and only \$294 in Bihar, one of India's poorest states. Disadvantaged groups will need to be brought into the

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mainstream to reap the benefits of economic growth, and women—who “hold up half the sky”—empowered to take their rightful place in the socioeconomic fabric of the country.

Fostering greater levels of education and skills will be critical to promote prosperity in a rapidly globalizing world. However, while primary education has largely been universalized, learning outcomes remain low. Less than 10 percent of the working-age population has completed a secondary education, and too many secondary graduates do not have the knowledge and skills to compete in today’s changing job market. Improving health care will be equally important. Although India’s health indicators have improved, maternal and child mortality rates remain high and, in some states, are comparable to those in the world’s poorest countries. Of particular concern is the nutrition of India’s children whose well-being will determine the extent of India’s much-awaited demographic dividend; at present, an overwhelming 40 percent (217 million) of the world’s malnourished children are in India.

The country’s infrastructure needs are massive. One in three rural people lack access to an all-weather road, and only one in five national highways is four-lane. Ports and airports have inadequate capacity, and trains move very slowly. An estimated 300 million people are not connected to the national electrical grid, and those who are face frequent disruptions. And, the manufacturing sector—vital for job creation—remains small and underdeveloped. Nonetheless, a number of India’s states are pioneering bold new initiatives to tackle many of India’s long-standing challenges and are making great strides towards inclusive growth. Their successes are leading the way forward for the rest of the country, indicating what can be achieved if the poorer states were to learn from their more prosperous counterparts.

India now has that rare window of opportunity to improve the quality of life for its 1.2 billion citizens and lay the foundations for a truly prosperous future—a future that will impact the country and its people for generations to come.

(Source - <http://www.worldbank.org/en/country/india/overview>)

As per the Advance Estimates released by the Central Statistics Office (CSO), the growth rate of the gross domestic product (GDP) at constant market prices has been estimated at 7.6 per cent in 2015-16, which is higher than the growth of 7.2 percent growth recorded in the previous year. The growth of the gross value added (GVA) at constant basic prices has been estimated at 7.3 per cent in 2015-16—as opposed to 7.1 per cent in 2014-15—, with agriculture and allied sectors, industrial sector and services sector growing at 1.1 per cent, 7.3 per cent and 9.2 per cent respectively. The growth of GDP at constant basic prices for the first, second and third quarters of 2015-16 has been estimated at 7.6 per cent, 7.7 per cent and 7.3 per cent respectively.

On the demand side, the growth in final consumption expenditure at constant (2011-12) prices is estimated to have remained strong at 6.9 per cent in 2015-16, as compared to 7.2 per cent in 2014-15. The growth in gross fixed capital formation at constant prices increased from 4.9 per cent in 2014-15 to 5.3 per cent in 2015-16. Exports and imports of goods and non-factor services declined (at constant prices) by 6.3 per cent each in 2015-16; the former mainly on account of the sluggishness in the global economy and the latter on account of decline in international petroleum and other commodity prices.

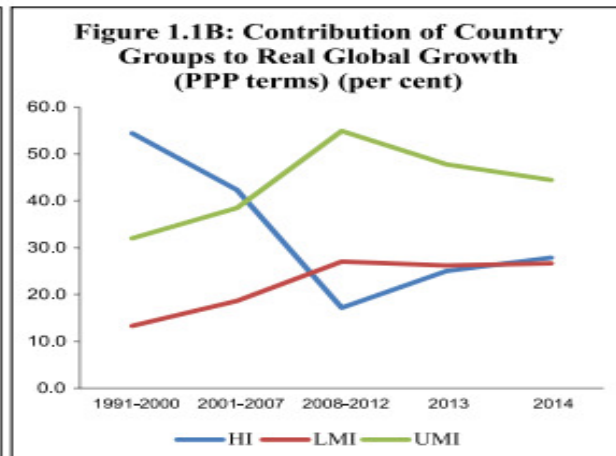
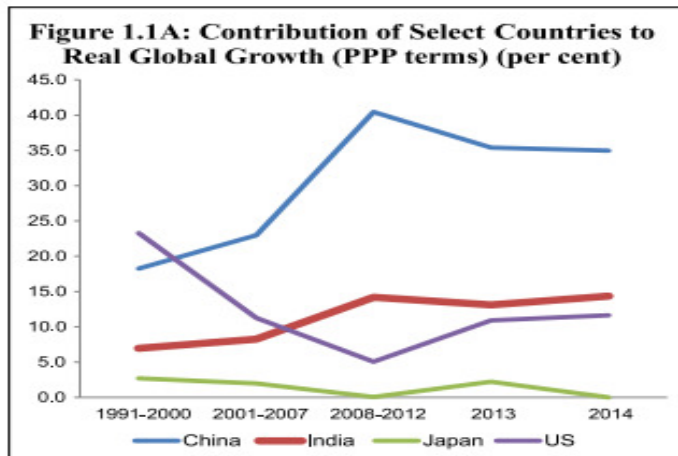
(Source – <http://finmin.nic.in/reports/AnnualReport2015-16.pdf>)

Economic Growth

India’s increasing importance to global growth

India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country’s currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India’s contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014. During the 1990s, the US’s contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India’s. The picture changed dramatically in 2013 and 2014 when India’s contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5 per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India’s and China’s patterns.

The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India’s contribution has become much more valuable to the global economy. India’s share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008- 13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India’s resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth.



HI=high income countries; LMI=lower middle income countries; UMI=upper middle income countries

Source: World Bank.

(Source: - <http://www.indiabudget.nic.in/es2015-16/echapvol2-01.pdf>)

Review of Major Developments in Indian Economy

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014- 15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16.
- According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) percent in 2015-16.
- In nominal terms, construction is expected to stagnate, while even the dynamic sectors (see Box 1.4 for one such example) of trade and finance are projected to grow by only 7 to 7¾ percent.
- Inflation remains under control (Figure 5). The CPI-New Series inflation has fluctuated around 5½ percent, while measures of underlying trends—core inflation, rural wage growth and minimum support price increases—have similarly remained muted. Meanwhile, the WPI has been in negative territory since November 2014, the result of the large falls in international commodity prices, especially oil. As low inflation has taken hold and confidence in price stability has improved, gold imports have largely stabilized, notwithstanding the end of a period of import controls.
- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$351.5 billion in early February 2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$21.9 billion in April-December 2014-15 to US\$27.7 billion in the same period of 2015- 16; and the nominal value of the rupee, measured against a basket of currencies, has been steady (Figures 7(a) to (d)). India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.

- The fiscal sector registered three striking successes: ongoing fiscal consolidation, improved indirect tax collection efficiency; and an improvement in the quality of spending at all levels of government.
- Despite the decline in nominal GDP growth relative to the Budget assumption (11.5 per cent in Budget 2015-16 vis-à-vis 8.6 per cent in the Advance Estimates), the central government will meet its fiscal deficit target of 3.9 per cent of GDP, continuing the commitment to fiscal consolidation. Even on the IMF's definition, the fiscal deficit is expected to decline from 4.2 per cent of GDP in 2014-15 to 4.0 per cent of GDP in 2015-16. Moreover, the consolidated revenue deficit has also declined in the first 8 months (for which data are available) by about 0.8 percentage points of GDP.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to December 2015-16 recorded a growth of 90.5 per cent and stood at Rs. 1.3 lakh crore as against Rs. 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs).
- The main findings are that a welcome shift in the quality of spending has occurred from revenue to investment, and towards social sectors. Aggregate public investment has increased by about 0.6 per cent of GDP in the first 8 months of this fiscal year, with contributions from both the Centre (54 per cent) and states (46 per cent).

(Source: - http://www.indiabudget.nic.in/es2015-16/echapvol1_01.pdf)

Gross Capital Formation in the Industrial Sector

The recently released data on national income, consumption expenditure, saving and capital formation for 2014-15 shows that Gross Capital Formation (GCF) at current prices is estimated at R42.76 lakh crore for 2014-15 as compared to R39.12 lakh crore during 2013-14. However, the rate of GCF to GDP declined from 34.7 per cent during 2013-14 to 34.2 per cent in the year 2014-15. The rate of GCF to GDP at constant (2011- 12) prices has gone down from 36.2 per cent in 2013-14 to 35.9 per cent in 2014-15. The rate of growth of GCF in industry has registered a sharp rise from (-)3.7 per cent in 2013-14 to 3.6 per cent in 2014-15, showing upward momentum of investment in industry. The sector-wise shares of different industries in overall GCF showed a mixed trend with the share of electricity going up, the shares of mining, manufacturing and construction are declining.

Credit Flow to the Industrial Sector

Growth in credit flow to the industrial sector, including mining and manufacturing, has slowed down in 2015-16 as compared to 2014-15 (Table 6.3). In the manufacturing sector it was 2.5 per cent in 2015 (up to December) as compared to 13.2 per cent in 2014 (up to December). Credit flow to industries like basic metal and metal products, chemical and chemical products and engineering industries increased while a sharp decline was noticed in industries like petroleum and nuclear fuel, cement and cement products, transport equipment and food processing industries. The reduction in credit flow to the petroleum sector could be related to lower requirements by oil marketing companies with rationalization of fuel subsidies. In 2015-16, credit to micro & small industries, and large industries grew at 2.5 per cent and 6.6

Table 6.2: Per cent of GCF by Industry

(at 2011-12 constant prices)

	2011-12	2012-13	2013-14	2014-15
Rate of growth of GCF in industry		2.8	-3.7	3.6
Sector-wise share in overall GCF				
i Mining	2.1	2.3	4.0	3.3
ii Manufacturing	19.2	18.4	17.4	16.9
iii Electricity	9.6	9.1	8.6	9.2
iv Construction	7.2	7.7	5.5	5.4

Source: CSO.

Table 6.3: Growth of Credit to Industry by Scheduled Commercial Banks (in per cent)

Sectors	2014-15*	2015-16**
Industries	6.7	5.3
Manufacturing	13.2	2.5
Mining	3.9	-0.3
Manufacturing sub-sectors		
Food processing	12.4	-1.9
Textiles	2.8	2.1
Petroleum & nuclear fuel	-7.4	-10.4
Chemical & chemical products	-9.0	2.9
Cement & cement products	5.8	-1.1
Basic metal & metal products	7.3	8.8
All engineering	6.4	6.3
Transport equipment	5.0	-1.5
Other industries	-3.1	9.8

Source: RBI

Note: *End-December 2014 over end-December 2013.

**End-December 2015 over end-December 2014.

per cent respectively. But credit flow to medium scale industries declined by 7.6 per cent during the same period.

Foreign Direct Investment

Foreign direct investment (FDI is an important driver of economic growth as it leads to productivity enhancement and is a major source of non-debt financial resources and employment generation. FDI inflows are critical for sustaining a high growth rate. The government is playing a proactive role in investment promotion through a liberal FDI policy. A favourable policy regime and sound business environment have facilitated increase in FDI flows into the country. 6.33 With a view to liberalizing and simplifying the FDI policy to provide ease of doing business climate in the country that will also lead to larger FDI inflows, the government has undertaken various reforms. A number of sectors have been liberalized, including defence, construction, broadcasting, civil aviation, plantation, trading, private sector banking, satellite establishment and operation and credit information companies. During 2015-16, FDI policy in the pension sector has been revised to permit foreign investment up to 49 per cent, with 26 per cent under automatic route. Manufacturing of medical devices and white label ATM operations have been opened up to 100 per cent FDI under automatic route. 6.34 The various reforms in the FDI sector have led to a significant increase in FDI inflows into India. During April-November 2015, total FDI inflows were US\$34.8 billion as compared to US\$27.7 billion during April-November 2014, showing a 26 per cent surge. FDI equity inflows also increased from US\$18.9 billion during April-November 2014 to US\$24.8 billion during April-November 2015, showing 31 per cent growth. There were FDI inflows into sectors like computer software and hardware, services, trading, automobile industry, construction (infrastructure) activities, chemicals (other than fertilizers) and telecommunications. FDI statistics of the last fifteen years reveal that the services sector has accounted for the highest inflows (17.6 per cent of total FDI inflows into India), followed by construction development (8.8 per cent), computer hardware and software (7.2 per cent), telecommunications (6.6 per cent) and the automobile industry (5.2 per cent). Sector-wise FDI flows during 2014- 15 and 2015-16(April- Nov) are presented

Table 6.3: Growth of Credit to Industry by Scheduled Commercial Banks (in per cent)		
Sectors	2014-15*	2015-16**
Industries	6.7	5.3
Manufacturing	13.2	2.5
Mining	3.9	-0.3
Manufacturing sub-sectors		
Food processing	12.4	-1.9
Textiles	2.8	2.1
Petroleum & nuclear fuel	-7.4	-10.4
Chemical & chemical products	-9.0	2.9
Cement & cement products	5.8	-1.1
Basic metal & metal products	7.3	8.8
All engineering	6.4	6.3
Transport equipment	5.0	-1.5
Other industries	-3.1	9.8

Source: RBI

Note: *End-December 2014 over end-December 2013.

****End-December 2015 over end-December 2014.**

Table 6.4: Sector-wise FDI Inflows during April 2014 to November 2015

Sl No	Sector	Amount of FDI (in US\$ million)		Percentage of total FDI
		2014-15	2015-16	
		Apr.-Mar.	Apr.-Nov.	Apr.-Nov. 2015-16
1	Services Sector (financial, non-financial and others)	4443.26	4102.47	16.5
2	Computer Software & Hardware	2296.04	4419.84	17.8
3	Trading	2727.96	2604.40	10.5
4	Automobile Industry	2725.64	1657.82	6.7
5	Telecommunications	2894.94	1062.91	4.3
6	Construction (Infrastructure) Activities	870.25	1368.96	5.5
7	Chemicals (Other Than Fertilizers)	762.76	1157.37	4.7
8	Drugs & Pharmaceuticals	1497.74	321.37	1.3
9	Hotel & Tourism	777.01	865.25	3.5
10	Power	707.04	635.13	2.6
11	Mining	684.39	518.84	2.1
12	Petroleum & Natural Gas	1079.02	48.69	0.2
13	Non-Conventional Energy	615.95	440.64	1.8
14	Industrial Machinery	716.79	293.56	1.2
15	Others, excluding above- mentioned sectors	8131.71	5310.51	21.4

Source: DIPP

(Source: - <http://www.indiabudget.nic.in/es2015-16/echapvol2-06.pdf>)

Key challenges - India

Financial inclusion: Fast and inclusive development will require stronger financial education initiatives and improved access to and quality of education in general. Financial access has been a policy priority for India, but financial education programmes will also be needed to ensure that people are aware of the services available and sufficiently informed about the opportunities and risks to make responsible decisions about personal and business finance. The areas of need have been studied through the 2014 Financial Literacy and Inclusion Survey, which found that respondents were comfortable with concepts such as division and interest on loans, had moderate knowledge of inflation, risk versus return, diversification and simple interest, and were least knowledgeable about the time value of money and compound interest. The National Strategy for Financial Education has been developed to guide efforts by schools, community outreach workers and financial sector representatives in this field.

Education: Higher quality and more accessible education generally is important in a country like India with a young population. Enrolment in primary schools in rural areas and their results have improved considerably in the recent past. Over 98% of children were found to be enrolled in primary school in 2012. Even in rural areas, enrolment levels are over 96% for the 6-14 year age group. Less change has been seen at the secondary and tertiary levels, where more students will need to develop skills beyond basic literacy and numeracy. Uneven access to education by region, gender and socio-economic background across all levels of schooling will need to be addressed, possibly through the use of new diversity measures and incentives. Efforts to improve the quality of education should focus on teacher quality and upgrading school facilities.

(Source - http://www.oecd.org/dev/asia-pacific/SAEO2016_Overview%20with%20cover%20light.pdf)

Overview of Real Estate and Housing Sector

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade.

The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

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

(Source: http://indiainbusiness.nic.in/newdesign/index.php?param=economy_landing/403/2)

Real estate and ownership of dwelling is an important contributor to the Indian economy. It constituted 8.0 per cent of India's GVA in 2014-15 and grew by 9.1 per cent. It also generates significant income and employment owing to large forward and backward linkages through creation of demand in the input sectors and real estate services. The sector has grown at a CAGR of 8.1 per cent since 2011-12. However, the construction sector has witnessed a significant slowdown in last few years, with growth rates of 0.6 per cent in 2012-13, 4.6 per cent in 2013-14, 4.4 per cent in 2014-15 and 3.7 per cent in 2015-16 led by weakening of both domestic and global growth.

The slowdown in sales in the housing sector has resulted in a sharp increase in the inventory of unsold housing units, especially in the northern and western regions. It is estimated that at the current rate of monthly sale, the unsold housing stock in the northern region would need 65 months to be absorbed. The inventory overhang in the western and southern region is much better at 30 and 22 months. Despite weak sales and rising inventory, the housing prices in many cities and towns have increased in 2015, as per the National Housing Bank's RESIDEX (index of residential prices). In 2015, out of 26 cities, 20 witnessed increase in prices over 2014, with the maximum increase observed in Guwahati (9 per cent) followed by Pune (8 per cent), while five saw decline, with the maximum fall witnessed in Chandigarh (-8 per cent) followed by Delhi (-4 per cent).

Realty prices are just holding up due to heavy inflow of capital in the sector over the last few years. It is estimated that since the beginning of 2015, about US\$10 billion or Rs 60,000 crore was invested in the sector by domestic and foreign investors, the highest in the last seven years. Most of these investments have come via structured deals and non-convertible debentures (NCD) together estimated at around US\$9.5 billion. These investments, largely in the nature of debts and FDI equity inflows in the construction development sector, have been only to the extent of US\$81 million between April and October 2015. High level of debt investment, while providing interim relief to the sector, poses a high refinancing risk if the housing sales continue to remain weak.

Procedural delay is another major constraint in this sector. According to the World Bank's 'Doing Business 2016', India ranked 183rd (out of 189 economies) in terms of construction permits, requiring on an average of 40 procedures to get permits as compared to an average of 15.1 in South Asia and 12.4 in OECD (Organisation for Economic Co-operation and Development) countries. It is estimated that about 25 per cent of housing projects in India are delayed, largely due to poor project management and delay in regulatory approval. It is estimated that over 40 different kinds of approvals and No Objection Certificates (NoC) are required for a building project, which can take anywhere between two and three years for construction to start.

Several policy initiatives were taken in 2014-15 to help this sector, including amendment of the FDI policy and removing the minimum floor area and minimum capital requirement provisions. The RBI and the National Housing Bank have also reduced risk weight for individual housing loans of up to R75 lakh from 50 per cent to 35 per cent for Banks and Housing Finance Companies, respectively. Further, the loan-to-value ratio has been increased to 90 per cent for loans up to R30 lakh. The government also announced plans to build six crore houses by the year 2022 under the Housing for All scheme. Further, the government identified 98 cities to be developed as smart cities and announced 20 cities to be taken up in the first place.

(Source: - <http://www.indiabudget.nic.in/es2015-16/echapvol2-07.pdf>)

	GVA (per cent)			GCF (per cent)	
	2013-14	2014-15 [®]	2015-16 [#]	2013-14	2014-15 [®]
Total Services	50.9(7.8)	52.6(10.3)	53.3 (9.2)	56.5(5.1)	58.3(8.7)
Trade, repair, hotels and restaurants	11.5(7.2)	11.8(10.7)	18.6 (9.5)*	7.4(-26.9)	8.9(25.0)
Trade & repair services	10.5(7.7)	10.7(10.8)	NA	6.7(-28.4)	7.5(18.9)
Hotels & restaurants	1.0(2.4)	1.1(9.5)	NA	0.8(-10.6)	1.3(77.2)
Transport, storage, communication & services related to broadcasting	6.7(8.7)	6.9(8.4)	NA	8.9(24.2)	8.9(4.8)
Railways	0.8(6.0)	0.8(7.7)	NA	1.2(6.9)	1.4(22.4)
Road transport	3.2(6.2)	3.2(6.3)	NA	1.8(-46.4)	0.8(-50.4)
Air transport	0.1(8.7)	0.2(12.8)	NA	0.1(-16.1)	0.2(94.1)
Financial services	5.8(4.8)	5.7(7.9)	20.6(10.3)^	0.9(-3.4)	1.2(35.3)
Real estate, ownership of dwelling & professional services	14.3(12.5)	14.9(11.8)	NA	25.3(7.2)	23.8 (-1.0)
Public administration and defence	5.9(3.2)	6.2(9.8)	14.1 (6.9)@	8.6(14.9)	9.9(21.2)
Other services	6.7(5.6)	7.2(11.4)	NA	5.3(19.0)	5.7(14.0)
Construction	9.0(4.6)	8.8(4.4)	8.2 (3.7)	5.4(-28)	5.4(4.6)
Total services (+ construction)	59.8(7.3)	61.4(9.4)	61.5 (8.4)	62.0(1.0)	63.7(8.4)
TOTAL (All Sectors)	100.0(6.3)	100.0(7.1)	100.0 (7.3)	100(2.1)	100(5.6)
GDP (market price constant 2011-12)	(6.6)	(7.2)	(7.6)		

Source: Computed from CSO data.

Notes: Shares are in current prices and growth in constant 2011-12 prices; Figures in parentheses indicate growth rate; ®First RE; #AE for 2015-16; * Also includes transport, storage, communication & services related to broadcasting; ^ Also includes real estate and professional services; @ Also includes other services.

(Source: <http://indiabudget.nic.in/es2015-16/echapter-vol2.pdf>)

Table 1.2: Growth in GDP and Major Sectors (in per cent)			
Sector	2013-14 (2R)	2014-15 (1R)	2015-16 (AE)
Agriculture, forestry and fishing	4.2	-0.2	1.1
Industry	5.0	5.9	7.3
Mining and quarrying	3.0	10.8	6.9
Manufacturing	5.6	5.5	9.5
Electricity, gas, water supply, etc.	4.7	8.0	5.9
Construction	4.6	4.4	3.7
Services	7.8	10.3	9.2
Trade, hotels, transport and communication	7.8	9.8	9.5
Financing, real estate, professional services, etc.	10.1	10.6	10.3
Public administration, defence and other services	4.5	10.7	6.9
GVA at constant basic prices	6.3	7.1	7.3
GDP at constant market prices	6.6	7.2	7.6

Source: Based on data from CSO.

(Source: <http://indiabudget.nic.in/es2015-16/echapter-vol2.pdf>)

Market Size

Art Nirman Limited

The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP). In the period FY08-20, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Real estate has emerged as the second most active sector, raising US\$ 1.2 billion from private equity (PE) investors in the last 10 months. Foreign investors have bought tenanted office space worth over US\$ 2 billion in India in 2014, a four-fold rise compared to the previous year, in order to increase their rent-yielding commercial assets in Asia's third largest economy.

Mumbai is the best city in India for commercial real estate investment, with returns of 12-19 per cent likely in the next five years, followed by Bengaluru and Delhi-National Capital Region (NCR). Also, Delhi-NCR was the biggest office market in India with 110 million sq ft, out of which 88 million sq ft were occupied. Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times.

Delhi's Central Business District (CBD) of Connaught Place has been ranked as the sixth most expensive prime office market in the world with occupancy costs at US\$ 160 per sq ft per annum.

(Source: http://indiainbusiness.nic.in/newdesign/index.php?param=economy_landing/403/2)

Investments

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.1 billion in the period April 2000-June 2015.

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

- Google Capital has invested in Bengaluru-based online property search platform, CommonFloor.com.
- Omkar Realtors and Developers Private Limited is in discussions to raise Rs 400 crore (US\$ 60.25 million) from KKR India, the local arm of PE firm Kohlberg Kravis Roberts and Co.
- Goldman Sachs bought shares worth Rs 255 crore (US\$ 38.41 million) in Vatika Hotels Private Limited, a company owned by real estate and hospitality firm Vatika Group.
- SoftBank, Falcon Edge Capital and a few others invested US\$ 90 million in Locon Solutions Private Limited, which runs Housing.com - a realty website.
- The Qatar Prince, Hamad bin Khalifa Al Thani, plans to invest Rs 1,000 billion (US\$ 15.06 billion) over the next five years in at least 10 smart cities of India.
- Real estate firm Supertech has planned to invest about Rs 2,000 crore (US\$ 301.27 million) in Gurgaon over the next few years by launching several luxury and affordable projects.
- PE firm Warburg Pincus invested Rs 1,800 crore (US\$ 271.14 million) in Piramal Realty for a minority stake in the company.
- China's Fosun International Limited is seeking to invest US\$ 100 million in Locon Solutions, the owner of Housing.com

(Source: http://indiainbusiness.nic.in/newdesign/index.php?param=economy_landing/403/2)

FDI in India's Services Sector

There has been a significant growth in FDI inflows in 2014-15 and 2015-16 (Apr-Oct) in general and to the services sector in particular. Though there is ambiguity in the classification of FDI in services, the combined FDI share of the top 10 service sectors such as financial and non-financial services under services sector, telecommunications, trading, computer hardware and software, construction, hotels and tourism, hospital and diagnostic centres, consultancy services, sea transport, information and broadcasting can be taken as the best estimate of services FDI, though it could include some non-service elements. This share is 53.3 per cent of the cumulative FDI equity inflows during the period April 2000-October 2015 and 53 per cent during 2014-15. If the shares of some other services or service-related sectors like retail trading, ports, agriculture services, education, and air transport are included, then the total share of cumulative FDI inflows to the services sector would increase to 55.6 per cent and 54.5 per cent respectively for the above two periods.

In 2014-15, while total FDI equity inflows grew by 27.3 per cent to US\$ 30.9 billion, FDI equity inflows to the services sector (top 10 services including construction) grew by a whopping 70.4 per cent to US\$16.4 billion. This rising trend is continuing in the first seven months of 2015-16 with the FDI equity inflows in the services sector growing by 74.7 per cent to US\$14.8 billion, while total FDI equity inflows grew by 26.1 per cent to US\$27.1 billion. The high growth in services FDI inflows is mainly due to higher growth of three major categories, namely computer software and hardware; services sector category which itself consists of a basket of items like financial, banking, insurance, non-financial, outsourcing and R&D; and trading. This was in spite of the high negative growth at - 61.6 per cent in FDI equity inflows in telecommunications.

The government has made significant changes in the FDI policy regime in recent times, to ensure that India remains an increasingly attractive investment destination. In order to provide simplicity to the FDI policy and bring clarity on application of conditionalities and approval requirements across various sectors, different kinds of foreign investments have been made fungible under one composite cap. Significant FDI-related liberalization has taken place in a number of sectors/ areas of the economy including some services and service-related sectors like construction development, broadcasting, civil aviation, cash and carry wholesale trading, wholesale trading (including sourcing from micro and small enterprises [MSE]), single brand retail trading and duty free shops, private sector banking, and credit information companies.

(Source: <http://indiabudget.nic.in/es2015-16/echapter-vol2.pdf>)

Table 6.4: Sector-wise FDI Inflows during April 2014 to November 2015

Sl No	Sector	Amount of FDI (in US\$ million)		
		2014-15	2015-16	Percentage of total FDI
		Apr.-Mar.	Apr.-Nov.	Apr.-Nov. 2015-16
1	Services Sector (financial, non-financial and others)	4443.26	4102.47	16.5
2	Computer Software & Hardware	2296.04	4419.84	17.8
3	Trading	2727.96	2604.40	10.5
4	Automobile Industry	2725.64	1657.82	6.7
5	Telecommunications	2894.94	1062.91	4.3
6	Construction (Infrastructure) Activities	870.25	1368.96	5.5
7	Chemicals (Other Than Fertilizers)	762.76	1157.37	4.7
8	Drugs & Pharmaceuticals	1497.74	321.37	1.3
9	Hotel & Tourism	777.01	865.25	3.5
10	Power	707.04	635.13	2.6
11	Mining	684.39	518.84	2.1
12	Petroleum & Natural Gas	1079.02	48.69	0.2
13	Non-Conventional Energy	615.95	440.64	1.8
14	Industrial Machinery	716.79	293.56	1.2
15	Others, excluding above-mentioned sectors	8131.71	5310.51	21.4

Source: DIPP

(Source: <http://indiabudget.nic.in/es2015-16/echapter-vol2.pdf>)

Government Initiatives

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

Below are some of the other major Government Initiatives:

- India's Prime Minister Mr Narendra Modi approved the launch of Housing for All by 2022. Under the Sardar Patel Urban Housing Mission, 30 million houses will be built in India by 2022, mostly for the economically weaker sections and low-income groups, through public-private-partnership (PPP) and interest subsidy.
- The Government of India has relaxed the norms to allow Foreign Direct Investment (FDI) in the construction development sector. This move should boost affordable housing projects and smart cities across the country.
- The Securities and Exchange Board of India (SEBI) has notified final regulations that will govern real estate investment trusts (REITs) and infrastructure investment trusts (InvITs). This move will enable easier access to funds for cash-strapped developers and create a new investment avenue for institutions and high net worth individuals, and eventually ordinary investors.
- The Government of Maharashtra announced a series of measures to bring transparency and increase the ease of doing business in the real estate sector.
- The State Government of Kerala has decided to make the process of securing permits from local bodies for construction of houses smoother, as it plans to make the process online with the launch of a software called 'Sanketham'. This will ensure a more standardised procedure, more transparency, and less corruption and bribery.

(Source: http://indiainbusiness.nic.in/newdesign/index.php?param=economy_landing/403/2)

Road Ahead

Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

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

(Source: http://indiainbusiness.nic.in/newdesign/index.php?param=economy_landing/403/2)

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information of the Company” on page 16, 203 and 158 respectively. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to ‘the Company’, ‘our Company’, ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to Art Nirman Limited (formerly known as Art Nirman Private Limited), unless stated otherwise.

Overview

Our Company was incorporated in the year 2011, with a vision to carry on the business of real estate development in and around the city of Ahmedabad, Gujarat. In 2013, we started construction of our first residential cum commercial project “Shri Vishnudhara Cross Road” in Ahmedabad, in Joint Development Agreement with our Director, Mrs. Dharmishtaben Thakker, owner of the project land. We successfully completed construction of “Shri Vishnudhara Cross Road” project in the year 2016, which consist of 5 towers containing total of 154 residential apartments of 2 and 3 BHK and 25 commercial shops, with a total built up area of 2,09,701 sq. ft. (aprox.) As on date of draft prospectus, we have successfully sold 129 residential flats and 21 commercial offices in our “Shri Vishnudhara Cross Road” project. Further, we’ve received bookings for 23 residential flats and 4 commercial flats from the Customers for the said project.

We also undertake work contracts for the development of residential & commercial projects. Currently, we have one ongoing work contract which has been undertaken from our Promoter Group firm M/s Dhara Developers, for carrying out activities such as plastering, tiles fitting, painting, electrical fitting, plumbing, doors and windows fitting, etc. in a residential cum commercial project, “Vishnudhara Homes” located in Ahmedabad. Further, we have received offer from our Group Companies for carrying out construction work in their forthcoming projects, which will be of building a hotel and a club under Contract. We are yet to consider their offers as the approved site plans, Contract terms and other details of the projects, has not been finalized by our Group Companies, till date.

Presently, we carry all the construction activities by subcontracting the project work to third party contractors.

Our Promoter, Mr. Ashokkumar Raghuram Thakker have been connected with real estate industry for more than a decade. Our Company is benefitted from their rich experience and expert in-sight of the industry.

Our total revenue (as restated) increased from Rs. 1.40 lacs in F.Y 2011-12 to Rs. 2563.76 lacs in F.Y. 2015-16 representing a CAGR of 349.31%. Our Profit after tax (as restated) increased from Rs. 1.06 lacs in F.Y. 2011-12 to Rs. 47.12 lacs in F.Y. 2015-16, representing a CAGR of 113.59%.

Highlights of the Project Completed by our Company:-

Project Name	Project Type	Developable Area (Sq. Ft.) (aprox.)	No. of Units built	No. of Units Sold (sale deed executed)	Date of Commencement	Date Of Completion
Shri Vishnudhara Cross Road	Residential cum Commercial	2,09,701	Residential-154 Commercial-25	Residential – 129 Commercial – 21	October 2013	February 2016

Actual Site Pictures and brief description of “Shri Vishnudhara Cross Road” project:-



Location: Behind Vodafone Tower, Near to Shayona Green, S.G. Highway, Gota, Ahmedabad.

“Shri Vishnudhara Cross Road” project was developed by us in collaboration, through a Joint Development Agreement, with our Director Mrs. Dharmishtaben Thakker, owner of the project land. The project comprises of five building blocks, with each block consisting of seven floors. There are total 154 residential units of 2BHK and 3 BHK of sizes from 1170 sq. ft. to 1530 sq. ft. (aprox.) and 25 Commercial Shops of 350 sq. ft. (aprox). The total developable area of the project is 2,09,701 sq. ft. (aprox). As on date of Draft Prospectus, we have successfully sold 129 residential flats and 21 commercial offices.

The specification of the project includes vitrified tiles in entire terrace flooring area, granite kitchen platform, aluminium windows with anodize coated with standard accessories & stone frame, decorative main door, all internal flush doors with stone frames, ample electrical points with modular switches, designer railings in M.S., CPVC line for all water supplies, exterior double coat plaster etc.

ONGOING PROJECT DETAILS

Actual Site Pictures and brief description of Shri Vishnudhara Homes (Ongoing Project):-



Location: Behind Vodafone Tower, Near to Shayona Green, S.G. Highway, Gota, Ahmedabad.

Shri Vishnudhara Homes is being developed by our Promoter Group firm M/s Dhara Developers. We have received Works Contract in April'16 from M/s Dhara Developers for carrying out activities such as plastering, tiles fitting, painting, electrical fitting, plumbing, doors and windows fitting, etc. as per the approved plan and architect's design in this project. The project comprises of 7 building blocks with each block consisting of 7 floors. The project comprises of 238 residential apartments of 1BHK and 2BHK and 10 commercial shops. The work area of the building comprises of 1,89,565 sq. ft. (aprox) in which we have to carry above mentioned activities. We expect to complete the aforesaid work by November, 2016.

For details relating to our industry, past trends, future prospects etc., please refer to Chapter titled "Industry Overview" beginning on page 93 of this Draft Prospectus.

Our Location:

Registered Office	14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat. Tel No:- +91-8866404499 Website: www.artnirman.com Email: info@artnirman.com
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Our Competitive Strengths

We believe that the following are our primary competitive strength:

➤ **Good Knowledge of the market and regulatory environment in Ahmedabad**

We believe that we have good knowledge of the market and regulatory environment in Ahmedabad that assists us in identifying opportunities in this region. Our Completed and ongoing project are located in Ahmedabad, which we believe is an attractive real estate market in terms of returns on investment, product positioning and depth of demand for real estate developments. Ahmedabad's position as a small and medium business destination of India, the population of high-income customer base and an expanding segment of young, upwardly mobile professionals provides a substantial market for residential projects.

➤ **Experienced management team**

Our Promoter, Mr. Ashokkumar Raghuram Thakkar is well experienced in the field of real estate development for over a decade. Besides, the management team consists of experienced Key Managerial Persons who oversee every aspect of project development for timely execution of the project. We believe that the experience of our management team and its in-depth understanding of the real estate market will enable us to continue to take advantage of both current and future market opportunities.

➤ **Focus on Quality Construction**

Currently, we subcontract construction and execution work related to projects to third party contractors. We outsource specialized work to entities, which have the required expertise in specialized project execution. This allows our Company to ensure quality construction. Our Management reviews the functions of contractors. Further, we focus on completing our projects efficiently and effectively within the stipulated time period.

Our Business Strategy

➤ **To focus on Quality Projects and on timely project schedule delivery.**

Art Nirman Limited

Our one of the significant business strategy is to undertake quality projects and ensuring timely project execution thereby maximizing customer satisfaction. We believe that this strategy can help strengthen our ability to engage in complex projects in future.

➤ **Building and Strengthening Execution Capabilities**

Currently, we sub-contract specific construction and execution work related to projects to third party contractors. We intend to focus on strengthening our own infrastructure and build in-house project execution capabilities. This will help us in increasing our margins in long run.

➤ **Enhancing Operating Effectiveness and Efficiency**

Our Company aims to continue to improve our operational effectiveness and efficiencies to achieve cost reductions including overheads. We believe that this can be done through continuous project review and timely corrective measures in case of diversion and technology upgradation.

➤ **To render high quality of services to our Customers.**

Our one of the significant business strategy is to focus on adhering to the quality standards of the service and timely project execution thereby maximizing customer satisfaction. This will also aid us in enhancing our brand image and build a strong customer base.

➤ **To Build up a Professional Organization**

As an organization, we believe in transparency and commitment in our work and with our customers. Although we have an experienced team, we also consult with external agencies on a case to case basis on technical and financial aspects of our business. We will consistently put efforts among our group of employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

Business Process

Our Business process depends upon nature of residential project i.e. whether project is taken on contract basis or is owned by us. In case the project is obtained on contract basis, the main phase of process involved is construction, and in owned projects, the following process is adopted:-

KEY BUSINESS PROCESS FOR REAL ESTATE DEVELOPMENT



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A. Land Identification

Land Identification at reasonable pricing and strategic location is a key factor for the success of our business. We undertake research for our project prior to making any decisions to acquire or develop any of the properties. We do our in - house market research, wherein we gather relevant market data; assess the potential of a location after evaluating its demographic trends and identifying relevant Government schemes and incentives, if any available.

B. Land Acquisition and/or Joint Development Arrangements

Once the requisite knowledge of land title is obtained, based on feasibility, we either acquire the land on an outright basis or enter into a development agreement or arrangements with the owners. Negotiations are undertaken, which involve total consideration, the type of agreement and the fulfillment of other statutory formalities such as pending litigations on the property.

C. Project Planning, Regulatory Approvals

The project planning and execution process commences with obtaining the requisite regulatory approvals, environmental clearances and location specific approvals. While evaluating the feasibility of an area for the implementation of a project, it is critical to understand and comply with the regulations governing land development at the location. The approvals generally required for the development of a property include change of land use, approvals of building plans, layouts and infrastructure facilities such as power and water. Similarly, approvals from various government authorities, including from the relevant environmental authorities, airport authorities and fire authorities are required for buildings above a stipulated height. Building completion or occupation certificates are obtained from the appropriate authorities after the construction of properties is completed, in accordance with applicable law.

D. Construction

For execution of the project, whether owned by us or taken on contract, we rely on external contractors for the construction of projects. Our Company looks at the experience of the proposed subcontractor in similar works done by them and the also the financial soundness of the party. Other factors which are considered by us while selecting sub-contractors are:-

- ✓ The employee strength of the proposed subcontractor i.e. number of technical persons who are experienced in the similar type of work.
- ✓ The equipment & machinery which is used for execution of the said work.
- ✓ Technical know-how, particularly in using the state of the art equipment and machinery for optimization of all resources invested towards the execution of the work.

Collaborations/ Tie – ups/ Joint Ventures

As on date of the Draft Prospectus, our Company does not have any Collaborations/Tie-ups/Joint Ventures.

Plant & Machinery

Major machineries used by our Company are:-

S. No.	Name of Machinery	Supplier	Year of Purchase	Amt. (Rs. in lakhs) (inc. all taxes)
1.	Batching Plant – CP18 (Stetter Mobile Concrete Mixing Plant with parts and accessories)	Schwing Stetter (India) Pvt. Ltd.	2013	24.32
2.	Concrete Pump SP 1200 with accessories	Schwing Stetter (India) Pvt. Ltd.	2013	17.10

Utilities and Infrastructure Facilities

Materials - The requirement of raw materials like cement, steel and other materials is processed through negotiations with the suppliers keeping in view the logistics of location of project and timing of supply.

Power – Power requirement at work site is generally met by Gujarat State Electricity Board and at registered office by Torrent Power Limited.

Utilities - Our registered office has facilities of water and electricity provided by respective authorities. Our Office is well equipped with computer systems, internet, connectivity, other communication equipment, security and other facilities, which are required for smooth functioning of our business activity.

Manpower - Currently, we subcontract all construction and execution work related to projects to third party contractors, therefore our requirement of manpower for construction activities is met by third parties. As on August 31st, 2016, Our Company has total 18 employees.

Sales and Marketing:-

Our Company adopts direct and indirect marketing approach. In past, we have used various advertisement channels such as advertisement on Radio Channels, Newspapers and Placement of Hoardings to promote and market our project “Shri Vishnudhara Cross Road”. We also take paid services of popular real estate websites for promoting our project. Our marketing is under the control of our Managing Director and is supported by other Key Management Personnel. We maintain a database consisting of our existing customers, referrals and leads that we have generated through various advertising and awareness campaigns.

Competition:-

The real estate market is highly competitive and fragmented, and we face competition from various domestic real estate developers. Some of our competitors have greater financial, marketing, sales and other resources than we do. However, we expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors. On regional basis, some of our major competitors in real estate sector in Ahmedabad includes Godrej Properties Ltd., Ajmera Realty & Infra (I) Ltd., Pacifica Companies, Goyal & Co Construction Pvt. Ltd.

Property



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

Sr No	Description of Property	Use	Remarks
1	14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat.	Registered Office	Our Registered Office is owned by our Managing Director, Mr. Ashokkumar Raghuram Thakker. They have given us No Objection Certificate (NOC) dated 19-02-2011, to use the said premises as our Registered Office.

Intellectual Property Rights:

Details of the trademark used by us are:-

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S. No	Brand Name/Logo Trademark	Class	Nature of Trademark	Owner	Application No. & Date	Remarks
1.	Trademark	37	 ART Nirman Ltd. <i>Crafting Comfort.</i>	Art Nirman Private Limited	Temporary Application No. 1051961	Applied for registration.
2.	Trademark	36	 ART Nirman Pvt. Ltd. <i>Crafting Comfort.</i>	Art Nirman Private Limited	3347536 (Date: 26-08-2016)	Applied for registration. Status: "Formalities Check Pass"

The Details of Domain Name registered on the name of the Company is:-

S.No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Creation Date	Registration Expiry Date
1.	www.artnirman.com Domain ID - 1679766209_DOMAIN_COM-VRSN	GoDaddy.com, LLC (IANA ID: 146)	30-Sept.-2011	30-Sept.-2016

Insurance: The details of insurance policies presently taken by our Company are tabulated below:

Sr No	Name of the Policy	Policy No.	Insurance Company	Policy Tenure	Assets Insured	Insured Amount (in Rs)	Premium paid
1	Contractors Plant & Machinery	OG-16-2202-0410-00000032	Bajaj Allianz General Insurance Company Ltd.	25-09-2016	1. Stetter Concrete Pump SP 1200 2. Schwing Batching Plant Model	54,50,000	21,845/-
2	Two Wheeler Vehicle Insurance Package Policy	1602462312008750	Reliance General Insurance	13-04-2017	Honda Activa 3G	51,230/-	1,879/-
3	Private Car Package Policy	231120134427840000	HDFC Ergo General Insurance Co. Ltd.	08-03-2017	Hyundai I20 (IB)	803,410/-	38,381/-

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be 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. The Company is primarily engaged in the business of real estate development and undertakes the development of residential, commercial, office use, retail and mixed-use projects.

Additionally, the projects require, at various stages, the sanction of the concerned authorities under the relevant Central and State legislations and local byelaws. The following is an overview of some of the important laws and regulations, which are relevant to our business.

For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page 222 of the Draft Prospectus.

Property Related Laws:

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states.

Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate.

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

Land Acquisition Act, 1894 (“LA Act”)

The GoI and the state governments are empowered to acquire and take possession of any property for public purpose, however, the courts in India have, through numerous decisions stipulated that any property acquired by the government must satisfy the due process of law. The key legislation relating to the expropriation of property is the LA Act. Under the provisions of the LA Act, land in any locality can be acquired compulsorily by the government whenever it appears to the government that it is needed or is likely to be needed for any public purpose or for use by a corporate body. Under the LA Act, the term “public purpose” has been defined to include, among other things:

the provision of village sites, or the extension, planned development or improvement of existing village sites;

the provision of land for town or rural planning;

the provision of land for its planned development from public funds in pursuance of any scheme or policy of government and subsequent disposal thereof in whole or in part by lease, assignment or outright sale with the object of securing further development as planned;

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the provision of land for any other scheme of development sponsored by government, or, with the prior approval of the appropriate government, by a local authority; and
the provision of any premises or building for locating a public office, but does not include acquisition of land for companies.

Any person having an interest in such land has the right to object and the right to receive compensation. The value of compensation for the property acquired depends on several factors, which, among other things, include the market value of the land and damage sustained by the person in terms of loss of profits. Such a person has the right to approach the courts. However, the only objection that the land owner can raise in respect of land acquisition is in relation to the amount of compensation. The land owner cannot challenge the acquisition of land once the declaration under the LA Act is notified in the Official Gazette.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (“2013 Land Acquisition Act”)

The 2013 Land Acquisition Act has replaced the Land Acquisition Act, 1894 and aims at establishing a participative, informed and transparent process for land acquisition for industrialization, development of essential infrastructural facilities and urbanization. While aiming to cause least disturbance to land owners and other affected families, it contains provisions aimed at ensuring just and fair compensation to the affected families whose land has been acquired or is proposed to be acquired. Further the rehabilitation and resettlement section of the Act applies to private companies which purchases land in rural or urban areas. This Act provides for rehabilitation and resettlement of such affected persons. Under the 2013 Land Acquisition Act, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Maharashtra) Rules, 2014 have been notified which frame rules in relation to inter alia the consent process, the compensation mechanism and rehabilitation and resettlement.

The Real Estate (Regulation and Development) Act, 2016

The Real Estate (Regulation And Development) Act, 2016 was enacted by Parliament in the Sixty-seventh Year of the Republic of India to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto.

The Indian Registration Act, 1908 (Registration Act)

The Registration Act details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non- testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration.

Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

The Building and other Construction workers Act, 1996

An Act to regulate the employment and conditions of service of Building and other construction workers and to provide for their safety, health and welfare measures and for other matters connected therewith or incidental thereto.
It aims to provide for regulation of employment and conditions of service of the building and other construction workers as also their safety, health and welfare measures in every establishment which employs or employed ten or more workers.

Building Consents

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission. The municipal authorities regulate building development and construction norms. The Urban Arts Commission advises the relevant State Government in the matter of preserving, developing and maintaining the aesthetic quality of urban and environmental design in some states and also provides advice and guidance to any local body with respect to building or engineering operations or any development proposal which affects or is likely to affect the skyline or the aesthetic quality of the surroundings or any public amenity provided therein. Under certain State laws, the local body, before it accords its approval for building operations, engineering operations or development proposals, is obliged to refer all such operations to the Urban Arts Commission and seek its approval for the project.

Additionally, certain approvals and consents may also be required from various other departments such as the fire department, the Airports Authority of India and the Archaeological Survey of India.

Modes of Acquisition of Interest and Development Rights in Property

Due to the constraints under the laws prescribing a ceiling on the acquisition of land, a real estate development company may enter into a range of agreements in order to acquire interests in land. Brief details of the most common arrangements are provided herein below:

- Agreements for acquisition of land – A company enters into agreements with third parties which may be in the form of an agreement to sell or a memorandum of understanding for the acquisition of land and pooling of land resources, for the purpose of the development of specified projects such as integrated townships. Under such agreements, the contracting parties agree to acquire land in certain areas selected by a company which agrees to provide an interest-free fund to such contracting parties for meeting the costs of the acquisitions. Further, the contracting parties are required to pool the acquired land with the land owned by a company and deliver possession of the same to our Company for the purpose of developing the project. Typically, a company is free to develop the land at its discretion and is also authorized to develop, market and sell the project at its own cost, risk and expense.
- Sole development agreements – A company enters into development agreements (“DA”) with the title holders of land for acquiring sole development rights. Typically, under the terms of the DA, whilst the title owner may continue to own the land, the company is entitled to sole development rights in the project and can sell units in the project and appropriate the receipt of the same at its sole discretion. For acquiring the sole development rights, generally a lump sum consideration is paid to the title holders of land.
- Joint development agreements - Another mode of acquiring land used by a company is to enter into joint development agreements (the “JDA”) with the title holders of land for joint development or development by the company of the real estate projects. The JDA may be in the form of a memorandum of understanding or a joint venture agreement. Under the terms of a JDA, a company may be authorised to develop, construct, finance and market the project on the relevant land.
 - Public auctions and Government allotment - Various State Governments undertake large real estate development projects, for the purposes of which bids satisfying certain eligibility criteria (such as technical and financial criteria) are invited. After evaluation of the bids submitted by a company, the Government through the various regional bodies and local development authorities, selects the most eligible company for the development of the project and undertakes to grant certain rights for the purposes of a project such as a perpetual lease of the project land in favour of the company, subject to satisfaction of certain conditions. The governmental authority may grant such an undertaking in the form of a reservation-cum-allotment letter, the salient terms of which usually include among other things, the nature of allotment (such as lease and conveyance), the period of grant, the consideration for allotment and the payment schedule.

Transfer of Property Act, 1882 ("TP Act")

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the TP Act. The TP 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,

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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 TP Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

Sale: The transfer of ownership in property for a price paid or promised to be paid

Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The TP Act recognises several forms of mortgages over a property.

Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.

Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses

Gujarat Stamp Act, 1958 (the Stamp Act)

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The **Stamp Act** provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

The Indian Easements Act, 1882(IE Act)

The law relating to easements and licenses in property is governed by the IE Act. The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own. Easementary rights may be acquired or created by (a) an express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a period of twenty years without interruption; or (d) local customs.

Important General laws:

The Companies Act, 1956

The Companies Act, 1956 dealt with laws relating to companies and certain other associations. It was enacted by the Parliament in 1956. The Act primarily regulated the formation, financing, functioning and winding up of companies. The Act prescribed regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constituted the main focus of the Act. In the functioning of the corporate sector, although freedom of companies was important, protection of the investors and shareholders, on whose funds they flourish, was equally important. The Act played 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 vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Indian Contract Act, 1872 (Contract Act)

The 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 the 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.

The Specific Relief Act, 1963 (“Specific Relief Act”)

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

The Consumer Protection Act, 1986(COPRA)

COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

The Public Liability Insurance Act, 1991(PLI Act)

The PLI Act provides for public liability insurance for the purpose of providing immediate relief to persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Every owner (in the case of a company, any of its directors, managers, secretaries or other officers who is directly in charge of, and is responsible to the company for the conduct of the business of the company) is obligated to take out, before he starts handling any hazardous substance, one or more insurance policies providing for contracts of insurance thereby he is insured against liability to give relief under the PLI Act. The said insurance policy shall be for a minimum amount of the paid-up capital of the Company and not exceeding fifty crore rupees.

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

The SHWW Act provides for the protection of women 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 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

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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 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.

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.

Competition Act, 2002 ("*Competition Act*")

The Competition Act 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.

Tax Related Legislations

Central Sales Tax Act, 1956(CST Act)

The CST Act formulates principles for determining (a) when a sale or purchase takes place in the course of inter-state trade or commerce; (b) when a sale or purchase takes place outside a State and(c) when a sale or purchase takes place in the course of imports into or export from India. This Act provides for levy, collection and distribution of taxes on sales of goods in the course of inter-state trade or commerce and also declares certain goods to be of special importance in inter-State trade or commerce and specifies the restrictions and conditions to which State laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. Central Sales tax is levied on inter State sale of goods. Sale is considered to be inter-state when (a) sale occasions movement of goods from one State to another or (b) is effected by transfer of documents during their movement from one State to another.

A sale or purchase of goods shall be deemed to take place in the course of inter-state trade or commerce if the sale or purchase is affected by a transfer of documents of title to the goods during their movement from one state to another. When the goods are handed over to the carrier, he hands over a receipt to the seller. The seller sends the receipt to buyer. The buyer gets delivery of goods on submission of the receipt to the carrier at other end. The receipt of carrier is 'document of title of goods'. Such document is usually

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called Lorry Receipt (LR) in case of transport by Road or Air Way Bill (AWB) in case of transport by air. Though it is called Central Sales Tax Act, the tax collected under the Act in each State is kept by that State only. Central Sales Tax is payable in the State from which movement of goods commences (that is, from which goods are sold). The tax collected is retained by the State in which it is collected. The Central Sales Tax Act is administered by sales tax authorities of each State. The liability to pay tax is on the dealer, who may or may not collect it from the buyer.

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.

Service Tax

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, (as amended from time to time) which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assessee is required to pay Service tax in TR 6 challan by fifth 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 half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

Laws relating to Employment and labour

Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)

CLRA prevents exploitation of contract labour and also to introduce better conditions of work. A workman is deemed to be employed as Contract Labour when he is hired in connection with the work of an establishment by or through a Contractor. CLRA applies to the Principal Employer of an Establishment and the Contractor where in 20 or more workmen are employed or were employed even for one day during preceding 12 months as Contract Labour. CLRA does not apply to the Establishments where work performed is of intermittent or seasonal nature. If a Principal Employer or the Contractor falls within the vicinity of this Act then, such Principal Employer and the Contractor have to apply for Registration of the Establishment and License respectively.

The Payment of Bonus Act, 1965 (POB Act)

The POB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

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

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 Industrial (Development and Regulation) Act, 1951(IDRA)

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

The Industrial Disputes Act, 1947(ID Act)

The ID Act provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labor court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labor courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

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.

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("Act") and the schemes formulated there under ("Schemes")

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

i. *The Employees Provident Fund Scheme:* as per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.

ii. *The Employees Pension Scheme:* Employees' Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee's pay shall be remitted by the employer to the Employees' Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees' Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees' Pension Scheme and credit the contribution to the Employees' Pension Fund.

iii. *The Employees Deposit Linked Insurance Scheme:* As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the Act, to the Insurance Fund within 15 days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

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

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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 Employees State Insurance Act, 1948(ESI Act)

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.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

- On his/her superannuation; or
- On his/her retirement or resignation; or
- On his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

Laws relating to Specific State where establishment is situated

Gujarat Value Added Tax Act, 2003 (GJ VAT Act)

VAT is the most progressive way of taxing consumption rather than business. Gujarat Value Added Tax Act, 2003 has come into effect from 25th January 2005. VAT is a multi-stage tax on goods that is levied across various stages of production and supply with credit given for tax paid at each stage of Value addition. VAT is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. 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 essentially a consumption tax applicable to all commercial activities involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

The Bombay Shops and Establishments Act, 1948 ("The Bombay Shops Act")

The Bombay Shops Act is also applicable to the state of Gujarat and provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn function under the supervision of Labour Commissioner. State of Gujarat has notified the Gujarat Shops and Establishments Rules, 1963 under the Bombay Shops Act.

The Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of 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 tax is 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

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prescribed manner. The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976 have also been notified by the Government.

Approvals from Local Authorities

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Laws relating to Intellectual Property

The Trademarks Act, 1999 (TM Act)

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

Application for trademark registry has to be made to Controller-General of Patents, Designs and **TM Act** who is the Registrar of Trademarks for the purposes of the **TM Act**. The **TM Act** prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

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.

The Designs Act, 2000 (Designs Act)

The objective of Designs Act it to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

Environmental Laws

The Environment (Protection) Act, 1986(EPA)

The EPA is umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter-alia, laying down the quality of environment, standards for emission or discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution.

The Water (Prevention and Control of Pollution) Act, 1974 (Water Act)

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

The Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the Water Cess Act)

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this statute, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed.

The Air (Prevention and Control of Pollution) Act, 1981, as amended (the Air Act)

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

The Noise Pollution (Regulation & Control) Rules, 2000 (Noise Regulation Rules)

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The Rules also assign regulatory authority for these standards to the local district courts.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of Our Company

Our Company was originally incorporated as “**Vishnudhara Builders Private Limited**” on February 19, 2011 under the provisions of Companies Act, 1956 with Registrar of Companies, Gujarat, Dadra and Nagar Havelli vide registration no. 064107 (CIN: U45200GJ2011PTC064107). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on July 04, 2011 and fresh Certificate of Incorporation dated July 19, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of our Company was changed to “**Vishnudhara Buildcon Private Limited**”. Later, vide Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on September 23, 2011 and a fresh Certificate of Incorporation dated October 08, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of our Company was changed to “**Art Nirman Private Limited**”. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholder’s Resolution passed at the Extra Ordinary General Meeting of the Company held on August 16, 2016 and the name of our Company was changed from “**Art Nirman Private Limited**” to “**Art Nirman Limited**” vide a fresh Certificate of Incorporation dated September 02, 2016 having CIN U45200GJ2011PLC064107 issued by the Registrar of Companies, Ahmedabad.

Our Company was originally promoted by Mr. Ashokkumar Raghuram Thakker and Mrs. Dharmisthaben Ashokkumar Thakkar who were the original/initial subscribers to the Company’s Memorandum and Articles of Association in the year 2011. Presently, Mr. Ashokkumar Raghuram Thakker is the Promoter of our Company.

Address of Registered Office :

Our Registered office is situated at 14, JBR Arcade, 2nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad, Gujarat-380060 India.

Changes in the Registered Office:

There has not been any change in our Registered Office since inception till the date of this Draft Prospectus.

Our Main Object

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of construction and developers of houses, bungalows, row houses, farm houses, resorts, schools, factories, mines, amusement parks and to prepare and deal in materials necessary for building and to carry on business as building contractors and to acquire land and plots for colonization or otherwise, sell plots, construct for special economic zone and industrial park and manager of all types of construction, developmental, infrastructures work in all its branches such as infrastructure projects.

Changes in Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Authorized Capital of Rs. 1,00,000 divided into 10,000 Equity Shares of Rs.10/- each.	Incorporation	-
2.	Increase in the authorized share capital of the Company from Rs.1,00,000 divided into 10,000 Equity Shares of Rs.10/- each to Rs.	January 01,2016	EGM

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	8,00,00,000 divided into 80,00,000 Equity Shares of Rs.10/- each.		
3.	Conversion of our Company from Private Limited to Public Limited Company and consequently name of the Company has been changed from Art Nirman Private Limited to Art Nirman Limited and a fresh Certificate of Incorporation dated September 02, 2016 bearing CIN U45200GJ2011PLC064107 was issued by Registrar of Companies, Ahmedabad.	August 16, 2016	EGM

Key Events and Mile Stones:

Year	Key Events / Milestone
2011	Incorporation of the Company in the name and style of “Vishnudhara Builders Private Limited”
2011	Change in the name of our Company from “Vishnudhara Builders Private Limited” to “Vishnudhara Buildcon Private Limited”
2011	Change in the name of our Company from “Vishnudhara Buildcon Private Limited” to “Art Nirman Private Limited”
2013	Commenced construction and development work of our first residential cum commercial project “Shri Vishnudhara Cross Road”
2016	Completed Construction and development work of the project “Shri Vishnudhara Cross Road”
2016	Conversion of our Company from Private Limited to Public Limited Company.

Other Details about of our Company

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please see “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price” on 108, 203 and 77 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "Our Management" and "Capital Structure" beginning on page 131 and 52 of this Draft Prospectus respectively.

Acquisition of Business/Undertakings & Amalgamation

Except as disclosed in this Draft Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

Holding Company

As on the date of this Draft Prospectus, our Company is not a subsidiary of any company.

Capital raising through equity or debt

For details in relation to our capital raising activities through equity, please refer to the chapter titled “Capital Structure” beginning on page 52 of this Draft Prospectus. For details on the debt facilities of our Company, see section "Statement of Financial Indebtedness" on page 202 of this Draft Prospectus.

Time and Cost Overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

Injunctions or Restraining Orders

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

Revaluation of Assets

Our company has not revalued its assets since incorporation.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks and Conversion of loans into Equity Shares

There have been no defaults or rescheduling of borrowings with financial institutions/banks as on the date of this Draft Prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.

Strikes and Lock-outs

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

Shareholders of our Company

Our Company has 7 shareholders as on the date of filing of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled "Capital Structure" beginning on page 52 of the Draft Prospectus.

Changes in the Management

For details of change in Management, please see chapter titled "Our Management" on page 131 of the Draft Prospectus.

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 last five (5) years from the date of this Draft Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled "Management's discussion and analysis of financial conditions & results of operations" beginning on page 203 of this Draft Prospectus,

Shareholders Agreement

As on the date of this Draft Prospectus, there are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

Collaboration Agreements

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

Material Agreement

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

OTHER AGREEMENTS:

Non Compete Agreement

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Prospectus.

Joint Venture Agreement

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Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

Strategic Partners

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

Financial Partners

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

Corporate Profile of our Company

For details of our Company's activities, growth of our Company, please see "Our Business" "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis of Issue Price" on 108, 203 and 77 respectively of this Draft Prospectus.

OUR MANAGEMENT

Board of Directors

The following table sets forth the details regarding Board of Directors of our Company as on the date of filing of this draft Prospectus:

Sr. No.	Name, Father's /Husband's Name, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality and DIN	Date of Appointment/ Reappointment, Term, Period of Directorship	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
1.	Name: Mr. Ashokkumar Raghuram Thakker S/o: Mr. Raghuram Vashrambhai Thakker Age: 43 Years Designation: Chairman and Managing Director Address: A-69, New Nikita Park, Near Sun N Step Club, Thaltej, Ahmedabad, Gujarat – 380-059 Experience: 25 years Occupation: Business Qualifications: B.Com (II Year) Nationality: Indian DIN: 02842849	Appointed on the Board w.e.f. Incorporation as First Directors Designated as Chairman and Managing Director vide AGM Resolution dated September 07, 2016 for a period of 5 years.	55,94,995 Equity Shares [99.91%]	1. Art Club Private Limited 2. Dat Hotels and Resorts Private Limited 3. Vishnudhara Buildcon LLP (Designated Partner) 4. Vedanshi Buildcon LLP (Designated Partner) 5. Art Infocom LLP (Designated Partner)
2	Name: Mrs. Dharmisthaben Ashokkumar Thakkar W/o: Mr. Ashokkumar Raghuram Thakker Age: 39 years Designation: Non executive Director Address: A-69, New Nikita Park, Near Sun N Step Club, Thaltej, Ahmedabad, Gujarat – 380-059 Experience: 12 Years Occupation: Business Qualifications: Primary Level Nationality: Indian DIN: 03423373	Appointed on the Board w.e.f. Incorporation as First Directors	5,000 Equity Shares [0.09%]	1. Art Club Private Limited 2. Dat Hotels and Resorts Private Limited 3. Art Infocom LLP (Designated Partner)

Sr. No.	Name, Father's /Husband's Name, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality and DIN	Date of Appointment/ Reappointment, Term, Period of Directorship	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
3	Name: Mr. Krunal Kiritkumar Mistry S/o: Mr. Kiritkumar Amrutlal Mistry Age: 34 years Designation: Independent Non Executive Director Address: 806-Akruti Hight, Opp. Chandan Party Plot, Satellite, Ahmedabad, Gujarat 380015 Experience: 14 Years Occupation: Business Qualifications: Chartered Engineer, Bachelor of Engineering (Civil) Nationality: Indian DIN: 07555458	Appointed as Additional Non Executive Director on August 04, 2016. Regularized as Non Executive Independent Director vide AGM Resolution dated September 07, 2016 for a period of 5 years.	Nil	Nil
4	Name: Mr. Viral Dipak Ranpura S/o: Mr. Dipak Keshavlal Ranpura Age: 27 Years Designation: Independent Non Executive Director Address: A-31, Saiyam Co Op Ho Soc Ltd, Panchdev Mandir Lane Opp Axis Bank Ltd Nehrunagar, Ahmedabad, Gujarat- 380015 Experience: 5 Years Occupation: Business Qualifications: CS and LLB Nationality: Indian DIN: 07177208	Appointed as Additional Non Executive Director on September 03, 2016. Regularized as Non Executive Independent Director vide AGM Resolution dated September 07, 2016 for a period of 5 years.	Nil	1. Accurate Securities and Registry Private Limited

Brief Profiles of our Directors
1. Mr. Ashokkumar Raghuram Thakker, Chairman and Managing Director , Age: 43 Years

Mr. Ashokkumar Raghuram Thakker, aged 43 years is the Chairman and Managing Director of our Company. He has been in our Company since incorporation and is associated since then. He completed his B. Com (II year) from Gujarat University in 1993. He has 15 years of experience in real estate development and construction sector. Prior to real estate, he was engaged in sales and marketing of FMCG Products. He possesses overall work experience of 25 years in various business fields. He is responsible for strategic direction, growth and management of the Company. He looks after overall management and operations of the Company and is instrumental in preparing our growth strategies.

2. Mrs. Dharmishtaben Ashokkumar Thakkar, Non executive Director, Age: 39 Years

Mrs. Dharmishtaben Ashokkumar Thakkar, aged 39 years is the Non executive Director of our Company. She has been in our Company since incorporation and is associated since then. She has 12 years of experience in real estate sector. She looks after the administration and supervision of human resources related functions in our Company.

3. Mr. Krunal Kiritkumar Mistry, Independent Non executive Director, Age: 34 Years

Mr. Krunal Kiritkumar Mistry, aged 34 years is the Non Executive Independent Director of our Company. He holds membership of Chartered Engineer from the Institute of Engineers (India). He also holds degree of Bachelor of Engineering in civil branch from L.D. Engineering College, Gujarat. He is having 14 years of experience in the field of architect and engineering. He has been appointed as an additional Non Executive Director on August 04, 2016 and regularize as Independent Non Executive Director in Annual General Meeting dated September 07, 2016.

4. Mr. Viral Dipak Ranpura Independent Non executive Director Age: 27 Years

Mr. Viral Dipak Ranpura, aged 27 years is the Non Executive Independent Director of our Company. He holds membership of Company Secretary from the Institute of Company Secretaries of India. He also holds degree of LLB. He is having 5 years of experience in the field of Company Secretary. He has been appointed as an additional Independent Non Executive Director on September 03, 2016 and regularize in Annual General Meeting dated September 07, 2016.

- **Nature of any family relationship between any of our Directors:**

The present Directors in our Board are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No	Name of the Director	Relationship with other Directors
1	Mr. Ashokkumar Raghuram Thakker	Husband of Mrs. Dharmishtaben Ashokkumar Thakkar
2	Mrs. Dharmishtaben Ashokkumar Thakkar	Wife of Mr. Ashokkumar Raghuram Thakker

- **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

- **Service Contracts:**

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

- **Common directorships of the Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning from five (5) years prior to the date of this Draft Prospectus:**

None of our Directors is / was a Director of any listed company, during the last five years from the date of filing of this Draft Prospectus whose shares are/were (a) suspended from trading on the BSE and/or NSE (b) delisted from any recognised Stock Exchange.

- None of the above mentioned Directors are on the RBI list of willful defaulters as on the date of filling of this draft Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been debarred from accessing the capital market by SEBI or any other Regulatory Authority.

Details of Borrowing Powers of Directors

Our Company has passed a resolution in the Extra Ordinary General Meeting of the members held on November 03, 2015 authorizing the Directors of the Company to Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such

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money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs 50.00 Crores (Rupees Fifty Crores only).

Compensation of our Managing Director

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies act, 1956, for the time being in force).

The following remuneration / compensation has been approved for the Managing Director:

Particulars	Mr. Ashokkumar Raghuram Thakker
Resolution for Change in Designation/ fixation of remuneration	Special Resolution dated September 07, 2016
Designation	Chairman and Managing Director
Term of Appointment	5 years
Remuneration	Rs 12,00,000/- Per Annum

Compensation paid and benefits in kind granted to Directors during the financial year 2015-16

Following is the detail of compensation paid to the Board of Directors of the Company during the financial year 2015-16:

Particulars	Compensation (Rs in Lacs)
Mr. Ashokkumar Raghuram Thakker	12.00
Mrs. Dharmishtaben Ashokkumar Thakkar	3.00

Bonus or Profit Sharing Plan for our Directors

We have no bonus or profit sharing plan for our Directors.

Sitting Fee

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors have resolved in their meeting dated September 07, 2016 for payment of an amount of Rs. 1000/- (Rupees One Thousand only) to all Non-executive Independent Directors for attending each such meeting of the Board or Committee thereof.

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY AS ON THE DATE OF THIS DRAFT PROSPECTUS

Sr. No.	Name of Director	No. of Shares held	Holding in % in Pre Issue Capital
1.	Mr. Ashokkumar Raghuram Thakker	55,94,995	99.91
2.	Mrs. Dharmishtaben Ashokkumar Thakkar	5,000	0.09
	Total	55,99,995	100.00

We do not have any Subsidiary or Associate Company as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, see -“Compensation of our Managing Director” beginning on page 134 of this Draft Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. For details of Shareholding of our Directors in our Company please refer chapter “Capital Structure” beginning on page 52 of this Draft Prospectus.

Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners. For details regarding unsecured loan taken from or given to our Directors and for details of transaction entered by them in the past please refer to “Annexure W Statement of Related Party Transaction” on page 195 and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to “Statement of Financial Indebtedness” and “Annexure B (A)” of Section “Financial Information of the Company” on page 202 and 158 respectively of this Draft Prospectus

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Interest in the property of Our Company:

Except as mentioned hereunder our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this draft Prospectus or proposed to be acquired by us as on date of filing the Draft Prospectus.

Sr. No.	Name of Director	Address of Property	Interest and nature of interest
1	Mr. Ashokkumar Raghuram Thakker	Registered Office 14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat	We operate from our Registered Office situated at 14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat which is owned by Mr. Ashokkumar Raghuram Thakker, Promoter and Managing Director of our Company. He has permitted us to use the premises as registered office of our Company, without any consideration through NOC dated 11-02-2011.

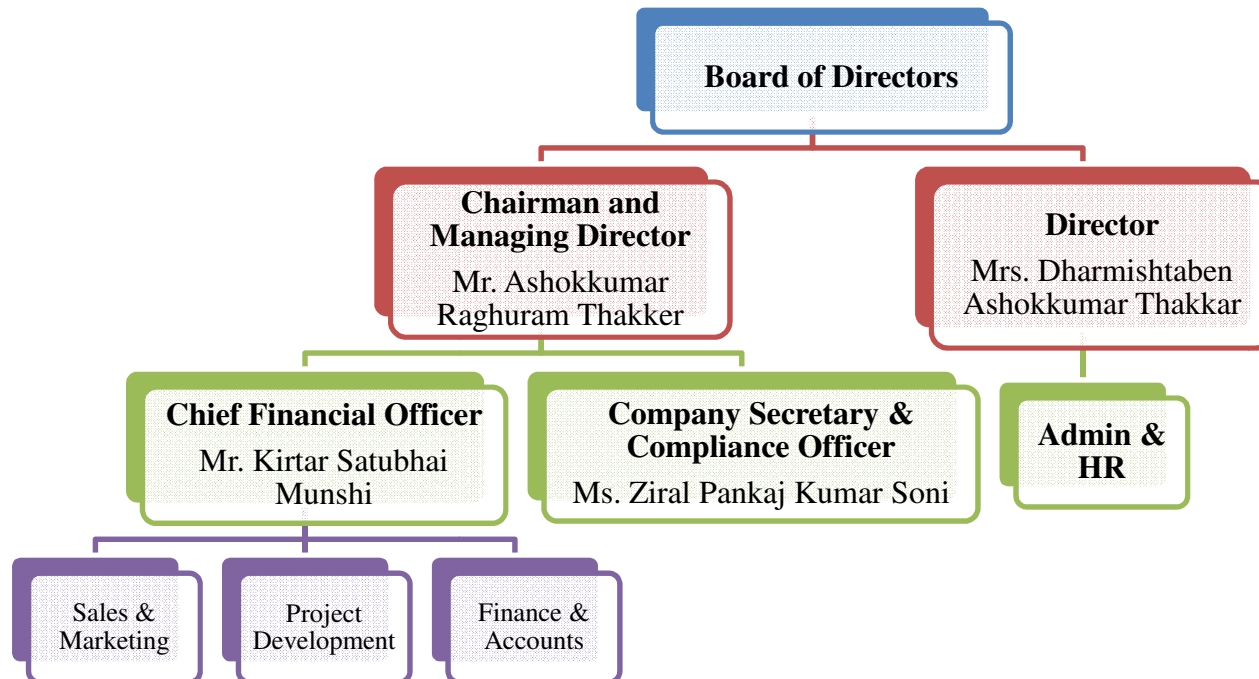
CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

Sr No	Name	Date of Appointment / Re-appointment	Reasons for Change
1	Mr. Ashokkumar Raghuram Thakker	Re-designated as Chairman and Managing Director in meeting dated September 07, 2016	To ensure better Corporate Governance
3	Mr. Krunal Kiritkumar Mistry	Appointed as Additional Non executive Director w.e.f. August 04, 2016 Regularize as an Independent Non executive director in meeting dated September 07, 2016	To ensure better Corporate Governance
4	Mr. Viral Dipak Ranpura	Appointed as an Independent Non executive Director w.e.f. September 03, 2016	To ensure better Corporate Governance

Art Nirman Limited

		Regularize as an Independent Non executive director in meeting dated September 07, 2016	
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MANAGEMENT ORGANISATION STRUCTURE



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of four (4) directors of which two (2) are Non-Executive Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), which constitutes 50% of the Board of Directors and one women Director, which is in compliance with the requirements of Regulation 17 of SEBI Listing Regulations, 2015. Our Company has constituted the following committees:

1. Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated September 07, 2016, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE ("NSE Emerge"), The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Krunal Kiritkumar Mistry	Chairman	Non Executive-Independent Director
Mr. Viral Dipak Ranpura	Member	Non Executive-Independent Director
Mr. Ashokkumar Raghuram Thakker	Member	Chairman and Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure: The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

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;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;

- 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;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 7. Reviewing 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. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
 16. Discussing with the 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. 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;
 18. 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;
 19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
 20. 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;
 21. To review the functioning of the whistle blower mechanism;
 22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
 23. Audit committee shall oversee the vigil mechanism.
 24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
 25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

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- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated September 07, 2016. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Krunal Kiritkumar Mistry	Chairman	Non Executive-Independent Director
Mr. Viral Dipak Ranpura	Member	Non Executive-Independent Director
Mr. Ashokkumar Raghuram Thakker	Member	Chairman and Managing Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
 - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
 - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
 - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
 - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
 - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated September 07, 2016. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Krunal Kiritkumar Mistry	Chairman	Non Executive-Independent Director

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Mr. Viral Dipak Ranpura	Member	Non Executive-Independent Director
Mrs. Dharmisthaben Ashokkumar Thakkar	Member	Non Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:

The provisions of the Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, will be applicable to our Company immediately upon the listing of Equity Shares on the SME Platform of NSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME Platform of NSE Ltd. Further, Board of Directors at their meeting held on September 07, 2016 have approved and adopted the policy on insider trading in view of the proposed public issue.

Ms. Ziral Pankaj Kumar Soni, Company Secretary & Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE Ltd. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME Platform of NSE Ltd. The Board

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of Directors at their meeting held on September 07, 2016 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

OUR KEY MANAGERIAL PERSONNEL

Our Company is supported by a well-laid team of experts and professionals having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

Name, Designation & Educational Qualification	Age (Years)	Date of joining	Compensation paid for the F.Y ended 2016 (in Rs Lacs)	Over all experience (in years)	Previous employment
Name: Mr. Ashokkumar Raghuram Thakker Designation: Chairman and Managing Director Qualifications: B. Com (II Year)	43	19.02.2011 (Since incorporation)	12.00	25	Nil
Name: Mr. Kirtar Satubhai Munshi Designation: Chief Financial Officer Qualifications: M.Sc. in Medical	57	03.09.2016	-	32	Art Club Private Limited
Name: Ms. Ziral Pankaj Kumar Soni Designation: Company Secretary and Compliance Officer Qualifications: Company Secretary and LLB	24	03.09.2016	-	-	Nil

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. Mr. Ashokkumar Raghuram Thakker, Chairman and Managing Director

Mr. Ashokkumar Raghuram Thakker, aged 43 years is the Chairman and Managing Director of our Company. He has been in our Company since incorporation and is associated since then. He completed his B. Com (II year) from Gujarat University in 1993. He has 15 years of experience in real estate development and construction sector. Prior to real estate, he was engaged in sales and marketing of FMCG Products. He possesses overall work experience of 25 years in various business fields. He is responsible for strategic direction, growth and management of the Company. He looks after overall management and operations of the Company and is instrumental in preparing our growth strategies.

2. Mr. Kirtar Satubhai Munshi, Chief Financial Officer

Mr. Kirtar Satubhai Munshi aged 57 Years, is the Chief Financial Officer of our Company. He has completed his Master of Science in Medical from BJ Medical College, Ahmedabad in 1982. He has been associated with our Group Company, Art Club Private Limited from Dec.'14. He joined our Company as CFO on September 03, 2016. He has worked in India as well as abroad in various industries such as pharmaceuticals, diamond trading and hotel industry. He possess overall work experience of 32 years. He looks after accounts & finance, sales & marketing and project development in our Company.

3. Ms. Ziral Pankaj Kumar Soni, Company Secretary and Compliance Officer

Ms. Ziral Pankaj Kumar Soni, aged 24 years is the Company Secretary and Compliance Officer of our Company. She holds Company Secretary Degree from Institute of Company Secretaries of India. She looks after the secretarial matters of our Company.

Relationship between Key Managerial Personnel

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

Status of Key Managerial Personnel in our Company

Except our Company Secretary cum Compliance Officer who have been appointed on probation for a period of 6 months and Chief Financial Officer who have been appointed on probation for a period of 3 months, all the persons named as our Key Managerial Personnel above are the permanent employees of our Company.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.

Payment or Benefit to our Officers

In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2016. Except for the terms set forth in the appointment Letters/Service Agreements the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer. None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.

Loans taken by Key Management Personnel:

None of our Key Managerial Personnel have taken any loan from our Company.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years:

Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.

Shareholding of Key Managerial Personnel:

Shareholding of Key Managerial Personnel in our Company as on the date of filing of this Draft Prospectus is as under:-

Sr. No.	Name of KMP	No. of shares
1.	Mr. Ashokkumar Raghuram Thakker	55,94,995

Employee Share Purchase and Employee Stock Option Scheme:

Presently, we do not have ESOP/ESPS scheme for our employees.

Interest of Key Managerial Personnel in Our Company

Apart from shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company and unsecured loan granted by them to the Company and other than as mentioned below, our Key Managerial Personnel are not interested in our Company: Our Key managerial personnel may be interested to the extent of personal guarantees given by them in favour of the Company.

Except as stated otherwise in this draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to “Annexure W Statement of Related Party Transaction” page 195 and for the details of Personal Guarantee given by Directors/KMPs towards Financial facilities of our Company please refer to “Statement of Financial Indebtedness” and “Annexure B (A)” of Section “Financial Information of the Company” on page 202 and 158 of this Draft Prospectus.

Other Benefits to Our Key Managerial Personnel:

Except as stated in this Draft Prospectus, there are no other benefits payable to our Key Managerial Personnel.

Changes in the Key Managerial Personnel:

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There have been no changes in the Key Managerial Personnel of our Company during the last three year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1	Mr. Ashokkumar Raghuram Thakker	Chairman and Managing Director	September 07, 2016	Change in Designation
2	Mr. Kirtar Satubhai Munshi	Chief Financial Officer	September 02, 2016	Appointment
3	Ms. Ziral Pankaj Kumar Soni	Company Secretary & Compliance Officer	September 02, 2016	Appointment

EMPLOYEES

For details about our employees appear please refer Chapter Titled “Our Business” beginning on page 108 of this Draft Prospectus.

PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)

Except as disclosed in the heading titled “Annexure – W Related Party Transactions” in the section titled “Auditors’ Report on Restated Financial Statements” beginning on page 195 of this draft prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.


OUR PROMOTER AND PROMOTER GROUP

Our Promoter:

Mr. Ashokkumar Raghuram Thakker is the Promoter of our Company.

As on the date of this Draft Prospectus, Mr. Ashokkumar Raghuram Thakker holds 55,94,995 Equity Shares. Our Promoter and Promoter Group will continue to hold the majority of our post-issue paid-up equity share capital of our Company.

Brief profile of our promoter is as follows:

	Mr. Ashokkumar Raghuram Thakker: Managing Director	
	Qualification	B. Com (II year)
	Age	43 years
	Address	A-69, New Nikita Park, Near Sun N Step Club, Thaltej, Ahmedabad, Gujarat – 380-059
	Experience	25 years
	Occupation	Business
	Permanent Account Number	AARPT7698E
	Passport Number	G8736233
	Name of Bank & Bank Account Details	HDFC Bank Branch: Science City, Ahmedabad Bank A/c No.: 50200007140059
	Driving License Number	GJ02 19930119336
	Voter Identification Card Number	LBR5823885
	No. of Equity Shares held in ANL & [% of Shareholding (Pre Issue)]	55,94,995 99.91(%)
	Other Interests	<p><i>Directorships in other Companies:</i></p> <ul style="list-style-type: none"> • Art Club Private Limited • Dat Hotels and Resorts Private Limited <p><i>LLP's:</i></p> <ul style="list-style-type: none"> • Vishnudhara Buildcon LLP • Vedanshi Buildcon LLP • Art Infocom LLP <p><i>Partnership Firms:</i></p> <ul style="list-style-type: none"> • M/s Dhara Infrastructure • M/s Prathana Developers • M/s Gajanand Associates • M/s Dhara Developers <p><i>Sole Proprietorship Firms:</i></p> <ul style="list-style-type: none"> • M/s Kiritkumar Raghurambhai

		<p>HUF's</p> <ul style="list-style-type: none"> • Ashokkumar Raghuram Thakker HUF (as Karta) • Raghurambhai V. Thakker HUF (as Member)
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Confirmations/Declarations

In relation to our Promoter, Mr. Ashokkumar Raghuram Thakker, our Company confirms that the Permanent Account Number, Aadhaar Card Number, Bank Account Number and Passport Number have been submitted to NSE EMERGE at the time of filing of this Draft Prospectus.

Undertaking/ Confirmations

None of our Promoter or Promoter Group or Group Companies has been (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of our Promoter is or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoter, the relatives of our Promoter (as defined under the Companies Act) nor our Group Companies have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoter, Promoter Group Entities or the Group Companies have become sick Companies under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoter or the Group Companies.

Common Pursuits/ Conflict of Interest

Our Promoter, **Mr. Ashokkumar Raghuram Thakker** has promoted our Promoter Group Entities viz. Vishnudhara Buildcon LLP, Vedanshi Buildcon LLP, M/s Dhara Infrastructure, M/s Dhara Developers and M/s Prathna Developers which are engaged in the similar line of business as on the date of this Draft Prospectus.

We cannot assure that our Promoter, Promoter Group or Group Companies will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said Entity will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please see Risk Factors on page 16 of this Draft Prospectus. For details of our Promoter Group and Group Companies refer to Section titled “Our Promoter and Promoter Group” & “Our Group Companies” on page 145 and 150 of this Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Our Promoter, Mr. Ashokkumar Raghuram Thakker is also on the Board of our Group Companies. For details of their directorships in other Companies, please refer chapter titled “Our Group Companies” beginning on page 150 of this Draft Prospectus.

Interest of our Promoter

The following is the interest of our Promoter in our Company:

Interest in promotion of Our Company

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Our Promoter is interested in the promotion of our Company and also to the extent of his shareholding and shareholding of his relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by him and their relatives. As on the date of this Draft Prospectus, our Promoter, Mr. Ashokkumar Raghuram Thakker holds 55,94,995 Equity Shares in our Company i.e. 99.91 % of the pre issue paid up Equity Share Capital of our Company. Our Promoter may also be deemed to be interested to the extent of his remuneration, as per the terms of their appointment and reimbursement of expenses payable to them and unsecured loan given by them to our Company, if any.

For details regarding the shareholding of our Promoter in our Company, please see “Capital Structure” on page 52 of this Draft Prospectus.

Interest in the property of Our Company

Except as mentioned hereunder our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this draft Prospectus or proposed to be acquired by us as on date of filing the Draft Prospectus with RoC.

Sr. No.	Name of Promoter	Address of Property	Interest and nature of interest
1	Mr. Ashokkumar Raghuram Thakker	Registered Office 14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat	We operate from our Registered Office situated at 14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat which is owned by Mr. Ashokkumar Raghuram Thakker, Promoter and Managing Director of our Company. He has permitted us to use the premises as registered office of our Company, without any consideration through NOC dated 11-02-2011.

In transactions for acquisition of land, construction of building and supply of machinery

Except as stated in the Chapter titled “Financial Information of the Company – Annexure W Related Party Transactions” and “Our Business” beginning on page 195 and 108 of this Draft Prospectus, none of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Other Interests in our Company

For transactions in respect of loans and other monetary transactions entered in past please refer Annexure W on “Related Party Transactions” on page 195 forming part of “Financial Information of the Company” of this Draft Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “Statement of Financial Indebtedness” and “Annexure B (A)” of Section “Financial Information of our Company” on page 202 and 158 respectively of this Draft Prospectus.

Payment or Benefits to our Promoter and Promoter Group during the last 2 years:

For details of payments or benefits paid to our Promoter and promoter group, please refer to the paragraph “Compensation of our Managing Director” in the chapter titled “Our Management” beginning on page 131. Also refer Annexure W on “Related Party Transactions” on page 195 forming part of “Financial Information of the Company” and Paragraph on “Interest of Promoter” on page 145 this Draft Prospectus.

Companies/Firms with which our Promoter has disassociated himself in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Draft Prospectus:-

Name of Company	Reason for Disassociation
Integrated Multi Solutions And Services of Property Private Limited	Resignation from Directorship by Mr. Ashokkumar Raghuram Thakker, who was appointed as director in Integrated Multi Solutions And Services of Property Private Limited on 13.01.2010 but due to preoccupation he has resigned from this Company on 25.03.2014.

Other ventures of our Promoter

Save and except as disclosed in this section titled “Our Promoter & Promoter Group” and “Our Group Companies” beginning on page 145 and 150 respectively of this Draft Prospectus, there are no ventures promoted by our Promoter in which he has any business interests/ other interests.

Litigation details pertaining to our Promoter

For details on litigations and disputes pending against the Promoter and defaults made by the Promoter please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 215 of this Draft Prospectus.

Related Party Transactions

For the transactions with our Promoter Group entities please refer to section titled “Annexure - W” Related Party Transactions” on page 195 of this draft Prospectus.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(zb) (ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship with Promoter	Mr. Ashokkumar Raghuram Thakker
Father	Mr. Raghurambhai Vashrambhai Thakkar
Mother	Mrs. Jayaben Raghurambhai Thakkar
Spouse	Mrs. Dharmisthaben Ashokkumar Thakkar
Brother	Mr. Kiritkumar Raghuram Thakkar*
Sister	Mrs. Geetaben Chandrakant Thakkar Mrs. Meenaben Manojkumar Thakkar
Son	Mr. Vishnu Ashokbhai Thakkar
Daughter	Ms. Dhara Ashokbhai Thakkar
Spouse’s Father	Mr. Ambalal Bhuralal Thakkar
Spouse’s Mother	Mrs. Induben Ambalal Thakkar
Spouse’s Brother	Mr. Chetanbhai Ambalal Thakkar Mr. Rajubhai Ambalal Thakkar
Spouse’s Sister	Mrs. Bhavnaben Maheshbhai Thakkar Mrs. Mamtaben Nileshbhai Thakkar

Our Promoter, Mr. Ashokkumar Raghuram Thakker vide undertaking dated September 06, 2016, has declared that Mr. Kiritkumar Raghuram Thakkar does not forms part of the promoter group of the Company. Currently, the Company does not maintain any financial

Art Nirman Limited

relationship, dealings, arrangements with Mr. Kiritkumar Raghuram Thakkar in the normal course. Further, Mr. Kiritkumar Raghuram Thakkar do not have any interest in the shareholding of our Company and are not involved in any business decision of the Company, as on date of Draft Prospectus. Accordingly, the disclosures of entities of Mr. Kiritkumar Raghuram Thakkar are not included under the disclosure relating to the Promoter Group as mentioned on page 145 of this Draft Prospectus.”

2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

S.No.	Nature of Relationship	Entity
1	Any Body corporate in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	Art Club Private Limited Dat Hotels and Resorts Private Limited Vishnudhara Buildcon LLP Vedanshi Buildcon LLP Art Infocom LLP
2	Any company in which a company mentioned in (1) above, holds 10% or more, of the equity share capital	-
3	Any HUF or Trust or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	Partnership Firms:- M/s Dhara Infrastructure M/s Prathana Developers M/s Gajanan Associates M/s Dhara Developers Sole Proprietorship Firms:- M/s Kiritkumar Raghurambhai HUF's:- Ashokbhai R. Thakkar HUF (as Karta) Raghurambhai V. Thakker HUF (as Member)

OTHER PERSONS INCLUDED IN PROMOTER GROUP:

Mr. Piyushkumar C. Thakkar and Mr. Alpeshkumar Chimanbhai Patel are not relative within the meaning of regulation 2(1) (zb) of ICDR Regulations but is considered for the purpose of shareholding of the Promoter Group under Regulation 2(1) (zb) (v) of ICDR Regulations.

OUR GROUP COMPANIES

As per the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standard, Accounting Standard 18 issued by the Institute of Chartered Accountants of India in the Restated Financial Statements. Further, pursuant to a resolution of our Board dated September 07, 2016 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if said company is a member of the Promoter Group as per Regulation 2(zb) of SEBI (ICDR), 2009 as amended and Our Promoter holds at least 25% of shareholding in such Body Corporate. Following companies were considered to be material by our Board to be disclosed as a Group Company of our Company:-

1. Art Club Private Limited
2. Dat Hotels and Resorts Private Limited
3. Art Infocom LLP
4. Vedanshi Buildcon LLP
5. Vishnudhara Buildcon LLP

Except as stated above, our Board has determined that there are no other companies connected to our Promoters or the Promoter Group which are material to our Company having regard to the value of the transactions that our Company has entered into in the last five years with such entities, and the limited dependence that our Company has on these related parties from a business continuity perspective.

The details of our Group Companies are provided below:

A. Details of Group Companies

1. Art Club Private Limited:-

Brief Description of Business	To carry on all the business of hotels, restaurants, cafes, clubs, holiday camps, resorts, taverns, refreshment rooms, night clubs and swimming pools and lodging or apartment house keepers and other luxurious facilities and to run the business as hospitality company.		
Date of Incorporation	February 11, 2015		
CIN	U55204GJ2015PTC0282231		
PAN	AANCA2410J		
Registered Office Address	SF-14 J.B.R Residency, Opp. Satyam Complex, R.K. Royal Party Plot, Science City Road Sola, Ahmedabad, Gujarat, India-380060		
Board of Directors*	Name	DIN	
	Mr. Ashokkumar Raghuram Thakker	02842849	
	Mrs. Dharmisthaben Ashokkumar Thakkar	03423373	
	<i>(Rs. in Lacs, rounded off except per share data)</i>		
Audited Financial Information	For The Year Ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Paid Up Equity Share Capital	Audited Financial Statements not available as on date of Draft Prospectus.	Not Applicable	Not Applicable
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)			
Net worth			
Income including other income and exceptional items			
Profit/ (Loss) after tax			
Earnings per share (face value of Rs. 10 each)			
Net asset value per share (Rs)			

*As on date of Draft Prospectus

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Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
Mr. Ashokkumar Raghuram Thakker	6,00,000	60
Mrs. Dharmisthaben Ashokkumar Thakkar	4,00,000	40
Total	10,00,000	100

Nature and extent of interest of our Promoters:

Name	Number of Shares held	%age of Shareholding
Mr. Ashokkumar Raghuram Thakker	6,00,000	60
Mrs. Dharmisthaben Ashokkumar Thakkar	4,00,000	40
Total	10,00,000	100

Art Club Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Further Art Club Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

2. Dat Hotels and Resorts Private Limited:-

Brief Description of Business	To carry on all the business construction and development of House, bungalows', row house farm house and infrastructure related all work and all the business of hotels, restaurants, cafes, clubs holidays camps resorts taverns, refreshment rooms, night clubs and Swimming pools and lodging or apartment house keepers and other luxurious facilities and to run the business as hospitality company. Construction and development of house, bungalows', row house farm house and Infrastructure related work.		
Date of Incorporation	July 19, 2016		
CIN	U55101GJ2016PTC092995		
PAN	AAFCD7820D		
Registered Office Address	SF-14, JBR Arcade, Opp Satyam Complex, Near R.K. Royal Party Plot, Science City Road, Sola Ahmedabad Gujarat-382481		
Board of Directors*	Name	DIN	
	Mr. Ashokkumar Raghuram Thakker	02842849	
	Mrs. Dharmisthaben Ashokkumar Thakkar	03423373	
	<i>(Rs. in Lacs, rounded off except per share data)</i>		
Audited Financial Information	For The Year Ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Paid Up Equity Share Capital			
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)			
Net worth			
Income including other income and exceptional items			
Profit/ (Loss) after tax			
Earnings per share (face value of Rs. 10 each)			
Net asset value per share (Rs)	Not Applicable	Not Applicable	Not Applicable

Art Nirman Limited

*As on date of Draft Prospectus

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
Mr. Ashokkumar Raghuram Thakker	70,000	70
Mrs. Dharmisthaben Ashokkumar Thakkar	30,000	30
Total	1,00,000	100

Nature and extent of interest of our Promoters:

Name	Number of Shares held	%age of Shareholding
Mr. Ashokkumar Raghuram Thakker	70,000	70
Mrs. Dharmisthaben Ashokkumar Thakkar	30,000	30
Total	1,00,000	100

Dat Hotels and Resorts Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Further Dat Hotels and Resorts Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

3. Art Infocom LLP:-

Brief Description of Business	To engage in the business of trading and marketing for various goods and services and other related goods, merchandise, articles which are for personal and commercial use by running establishments and/or new establishments for the product and/or services with the use of Manpower, IT, and its application and also to carry on the business as agents, traders, dealers etc. of all types of articles, goods merchandise and commodities such as footwears, gift articles, garments, furniture etc.		
Date of Incorporation	June 13, 2016		
LLP Identification Number	AAG-6385		
PAN	AAALA2072N		
Registered Office Address	SF-14, JBR Arcade, Opp Satyam Complex, Near R.K. Royal Party Plot, Science City Road, Ahmedabad Gujarat-380060-India		
Designated Partners*	Name	DIN	
	Mr. Ashokkumar Raghuram Thakker	02842849	
	Mrs. Dharmisthaben Ashokkumar Thakkar	03423373	
Audited Financial Information	<i>(Rs. in Lacs, rounded off except per share data)</i>		
	For The Year Ended		
	March 31, 2016	March 31, 2015	March 31, 2014
	Paid Up Equity Share Capital		
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)			
Net worth			
Income including other income and exceptional items	Not Applicable	Not Applicable	Not Applicable

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Profit/ (Loss) after tax			
Earnings per share (face value of Rs. 10 each)			
Net asset value per share (Rs)			

*As on date of Draft Prospectus

Share in Partnership as on the date of the Draft Prospectus is as follows:

Sr. No.	Name of the Designated Partners	Capital (in %)
1.	Mr. Ashokkumar Raghuram Thakker	50
2.	Mrs. Dharmisthaben Ashokkumar Thakkar	50
	Total	100.00

Nature and extent of interest of our Promoters:

The Promoter of our Company Mr. Ashokkumar Raghuram Thakker and his wife Mrs. Dharmisthaben Ashokkumar Thakkar are designated partners of the Limited Liability Partnership and are interested to such extent of their Profit Sharing ratio.

Art Infocom LLP does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

4. Vedanshi Buildcon LLP :-

Brief Description of Business	To construct, execute, organise, develop, buy, sell, maintain, manage, control, build, alter, renovate all kinds of movable and immovable property including but not limiting to land, development of rights of land, buildings, residential township, colonies, apartments, property for industrial or commercial usage and also to act as contractors, engineers, architects, surveyors, consultants,organises, developers, or advisors in any or all branches of engineering.		
Date of Incorporation	May 03, 2016		
LLP Identification Number	AAG-2777		
PAN	AANFV7663B		
Registered Office Address	Gokul Bunglows, B/H Gopalak Society, Nr. Kiran Park, Nava Wadaj Ahmedabad, Gujarat-380013, India		
Designated Partners*	Name	DIN	
	Mr. Ashokkumar Raghuram Thakker	02842849	
	Mr. Valubhai Ukabhai Jadav	07077100	
Partners	Mr. Kantibhai Ukabhai Jadav		
Audited Financial Information	<i>(Rs. in Lacs, rounded off except per share data)</i>		
	For The Year Ended		
	March 31, 2016	March 31, 2015	March 31, 2014
	Paid Up Equity Share Capital	Not Applicable	Not Applicable
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)			
Net worth			
Income including other income and exceptional items			
Profit/ (Loss) after tax			
Earnings per share (face value of Rs. 10 each)			
Net asset value per share (Rs)			

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*As on date of Draft Prospectus

Share in Partnership as on the date of the Draft Prospectus is as follows:

Sr. No.	Name of the Designated Partners & Partners	Capital (in %)
1.	Mr. Valubhai Ukabhai Jadav	25
2.	Mr. Ashokkumar Raghuram Thakker	50
3.	Mr. Kantibhai Ukabhai Jadav	25
	Total	100.00

Nature and extent of interest of our Promoters:

The Promoter of our Company Mr. Ashokkumar Raghuram Thakker, is a designated partner of the Limited Liability Partnership and is interested to the extent of his Profit Sharing ratio.

Vedanshi Buildcon LLP does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

5. Vishnudhara Buildcon LLP:-

Brief Description of Business	To construct, execute, organize, develop, buy, sell, maintain, manage, control, build, alter, renovate all kinds of movable and immovable property including but not limiting to land, development of rights of land, buildings, residential township, colonies, apartments, property for industrial or commercial usage and also to act as contractors, engineers, architects, surveyors, consultants, organizes, developers, or advisors in any or all branches of engineering.		
Date of Incorporation	February 09, 2015		
LLP Identification Number	AAG-3315		
PAN	AAMFV3358A		
Registered Office Address	Gokul Bunglows, B/H Gopalak Society, Nr. Kiran Park, Nava Wadaj, Ahmedabad, Gujarat-380013, India		
Designated Partners*	Name	DIN	
	Mr. Ashokkumar Raghuram Thakker	02842849	
	Mr. Valubhai Ukabhai Jadav	07077100	
Partners	Mr. Kantibhai Ukabhai Jadav		
	Mr. Piyushkumar Chandrakantbha Thakkar		
Audited Financial Information	(Rs. in Lacs, rounded off except per share data)		
	For The Year Ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Paid Up Equity Share Capital	Audited Financial Statements not available as on date of Draft Prospectus.	Not Applicable	Not Applicable
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)			
Net worth			
Income including other income and exceptional items			
Profit/ (Loss) after tax			
Earnings per share (face value of Rs. 10 each)			
Net asset value per share (Rs)			

*As on date of Draft Prospectus

Share in Partnership as on the date of the Draft Prospectus is as follows:

Sr. No.	Name of the Designated Partners & Partners	Capital (in %)
1.	Mr. Valubhai Ukabhai Jadav	25.00
2.	Mr. Ashokkumar Raghuram Thakker	45.00
3.	Mr. Kantibhai Ukabhai Jadav	25.00
4.	Mr. Piyushkumar Chandrakantbhai Thakkar	5.00
	Total	100.00

Nature and extent of interest of our Promoters:

The Promoter of our Company Mr. Ashokkumar Raghuram Thakker, is a designated partner of the Limited Liability Partnership and is interested to the extent of his Profit Sharing ratio.

Vishnudhara Buildcon LLP does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

Litigations

For details on litigations and disputes pending against the Group Companies, if any, please refer to the section titled “Outstanding Litigations and Material Developments” on page 215 of this Draft Prospectus.

Undertaking/Confirmations:

None of our Promoters or Promoter Group or Group Companies or person in control of our Company has been

- (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- (ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our Promoters (as defined under the Companies Act), Promoter Group entities nor our Group Companies have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters, Promoter Group Entities or the Group Companies has become sick Companies under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Companies.

Nature and Extent of Interest of Group Companies
(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified under chapter titled “Our Business” on page 108 of this Draft Prospectus.

(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Prospectus with Stock Exchange

Art Nirman Limited

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Prospectus with Stock Exchange.

(c) **In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery except to the extent identified under chapter titled “Our Business” on page 108 of this Draft Prospectus.

Common Pursuits/Conflict of interest

Except for as disclose in this Draft Prospectus and common business in the Group Companies of the promoter group members, none of our Promoters/ Group Companies have any common pursuits. For details please refer to chapter titled “Our Promoters & Promoter Group” on page 145 of this Draft Prospectus.

As on the date of the Draft Prospectus, we cannot assure that our Promoters, Promoter Group/Group Companies will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Related business transaction within the Group and their significance on the financial performance of the issuer:

There has been no business transactions between our Company and Group Companies except to the extent identified under chapter titled “Our Business” on page 108 of this Draft Prospectus.

Sales / Purchase between our Company and Group Companies:

There has been no sales/purchase between our Company and Group Companies exceeding 10% of the sales or purchases of our Company.

Business Interests amongst our Company and Group Companies /Associate Companies

Except to the extent identified under chapter titled “Our Business” on page 108 of this Draft Prospectus, there is no business interest among our Company and Group Companies.

Defunct /Struck-off Company

None of Promoters, Promoter Group and our Group Companies has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this draft prospectus.

Changes in Accounting Policies in the last three years

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “Annexure IV” beginning on page 167 under Chapter titled “Financial Information of the Company” beginning on page 158 of the Draft Prospectus, there have been no changes in the accounting policies in the last three years.

DIVIDEND POLICY

Under the Companies Act 2013, the Company can pay dividends upon recommendation by the Board of Directors of the Company and approval by the majority of shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors namely but not limited to the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors. No dividend has been declared or paid on the Equity shares by our Company during the last 5 years.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the Register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

SECTION V – FINANCIAL INFORMATION OF THE COMPANY

AUDITOR’S REPORT ON RESTATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S REPORT ON RESTATED FINANCIAL STATEMENTS
OF “ART NIRMAN LTD.”
(PREVIOUSLY KNOWN AS “ART NIRMAN PVT. LTD.”)

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

To,
The Board of Directors,
ART NIRMAN LTD.
14, Second Floor,
JBR Arcade,
Science City Road, Sola,
Ahmedabad 380 060
Gujarat – India.

Dear Sirs,

Report on Restated Financial Statements

1. We have examined the attached Restated Financial Statements of **ART NIRMAN LTD.** (Previously known as “**ART NIRMAN PVT. LTD.**”) (hereinafter referred as “the Company”) as at 31st March, 2016, 31st March, 2015, 31st March, 2014, 31st March, 2013 and 31st March, 2012 and the related Restated Statement of Profit & Loss for the financial year ended on 31st March, 2016, 31st March, 2015, 31st March, 2014, 31st March, 2013 and 31st March, 2012 and Restated Statement of Cash Flow for the financial year ended 31st March, 2016, 31st March, 2015, 31st March, 2014, 31st March, 2013 and 31st March, 2012 (collectively “Restated Summary Statements” or “Restated Financial Statements”). These Restated Summary Statements have been prepared by the company and approved by the Board of Directors of the Company in connection with Initial Public Offering (IPO) of Equity Shares on SME Platform of National Stock Exchange.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
 - i) Section 26 of Companies Act, 2013 (hereinafter referred to as the “Act”) read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
 - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and related amendments / clarifications made thereto from time to time;
 - iii) The terms of reference to our engagements with the Company, requesting us to examine the financial statements referred to above and proposed to be included in the Draft offer Document / offer Document of the Company in connection with its proposed initial public offer of equity shares on SME Platform of National Stock Exchange (“IPO” or “SME IPO”) and
 - iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (‘ICAI’) (“Guidance Note”)
3. The Restated Summary Statements of the Company have been extracted by the Management from the Audited Financial Statements of the Company for the financial years ended 31st March, 2016, 31st March, 2015, 31st March, 2014, 31st March, 2013 and 31st March, 2012 which have been approved by the Board of Directors.

4. Audit of the financial statements for the years ended March 31, 2016, 2015 and 2014 has been conducted by Company's Statutory Auditors M/s. Dhiren Shah & Co. Chartered Accountants, audit for financial statements for the years March 31, 2013 & 2012 has been conducted by Company's then Statutory Auditors, M/s V V Patel & Co, Chartered Accountants. Further, financial statements for the year ended March 31, 2016 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended March 31, 2016, 2015, 2014, which were audited by the Statutory Auditors, M/s. Dhiren Shah & Co., Chartered Accountants and for the financial years ended March 31, 2013 and 2012 which were audited by the Statutory Auditors, M/s. V. V. Patel & Co., Chartered Accountants, is based on the audited financial statements of the Company and whose Auditor's Reports have been relied upon by us for the said periods.
5. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the 'ICAI') and the terms of our engagement agreed with you, we report that:
 - (i) The "Restated Statement of Assets and Liabilities" as set out in **Annexure I** to this report, of the Company as at 31st March, 2016, 31st March, 2015, 31st March, 2014, 31st March, 2013 and 31st March, 2012 are prepared by the Company and approved by the Board of Directors. These Statement of Assets & Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - (ii) The "Restated Statement of Profit & Loss" as set out in **Annexure II** to this report, of the Company for the financial years ended 31st March, 2016, 31st March, 2015, 31st March, 2014, 31st March, 2013 and 31st March, 2012 are prepared by the Company and approved by the Board of Directors. These Statement of Profit & Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - (iii) The "Restated Statement of Cash Flow" as set out in **Annexure III** to this report, of the Company for the financial years ended 31st March, 2016, 31st March, 2015, 31st March, 2014, 31st March, 2013 and 31st March, 2012 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
6. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
 - a) Adjustments if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
 - b) Adjustments for prior period and other material amounts, if any in the respective financial years to which they relate and there are not qualifications which require adjustments.
 - c) There are no exceptional and extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
 - d) These Profits / (Losses) have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as in our opinion are appropriate and are to be read in accordance with Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
7. We have examined the following regrouped/ rearranged financial information relating to the Company, proposed to be included in the Draft offer Document / offer Document ("Offer Document"), as approved by the Board of Directors of the Company and

attached to this report for the financial years ended on 31st March, 2016, 31st March, 2015, 31st March, 2014, 31st March, 2013 and 31st March, 2012

- (i) Statement of Share Capital enclosed as **Annexure A**
 - (ii) Statement of Reserves & Surplus enclosed as **Annexure B**
 - (iii) Statement of Long Term Borrowings enclosed as **Annexure C**
 - (iv) Statement of Principal Terms of Secured Loans And Assets Charged As Security (**Annexure C1**)
 - (v) Statement of Terms & Conditions of Unsecured Loans (**Annexure C2**)
 - (vi) Statement of Deferred Tax (Assets) / Liabilities enclosed as **Annexure D**
 - (vii) Statement of Long Term Provisions enclosed as **Annexure E**
 - (viii) Statement of Trade Payables enclosed as **Annexure F**
 - (ix) Statement of Other Current Liabilities enclosed as **Annexure G**
 - (x) Statement of Short Term Provisions enclosed as **Annexure H**
 - (xi) Statement of Fixed Assets enclosed as **Annexure I**
 - (xii) Statement of Long Term Loans & Advances enclosed as **Annexure J**
 - (xiii) Statement of Inventories enclosed as **Annexure K**
 - (xiv) Statement of Cash & Cash Equivalents enclosed as **Annexure L**
 - (xv) Statement of Short Term Loans & Advances enclosed as **Annexure M**
 - (xvi) Statement of Other Current Assets enclosed as **Annexure N**
 - (xvii) Statement of Revenue from Operations and Other Income enclosed as **Annexure O**
 - (xviii) Statement of Raw Materials & Components enclosed as **Annexure P**
 - (xix) Statement of Project Direct Operating Cost enclosed as **Annexure Q**
 - (xx) Statement of Project Indirect Operating Cost enclosed as **Annexure R**
 - (xxi) Statement of Changes in Inventories of Finished Goods, Work-In-Progress And Stock-In-Trade enclosed as **Annexure S**
 - (xxii) Statement of Employee Benefit Expenses enclosed as **Annexure T**
 - (xxiii) Statement of Other Expenses enclosed as **Annexure U**
 - (xxiv) Statement of Finance Costs enclosed as **Annexure V**
 - (xxv) Statement of Related Party Transactions enclosed as **Annexure W**
 - (xxvi) Statement of Capitalization as at March 31, 2016 (pre-issue) and as adjusted for this issue (post issue) subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization enclosed as **Annexure X**
 - (xxvii) Summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth enclosed as **Annexure Y**
 - (xxviii) Statement of Tax Shelter enclosed as **Annexure Z**
 - (xxix) Statement of Dividend Declared enclosed as **Annexure AA**
8. We, M/s. SVK & ASSOCIATES, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate No. 006770 dated November 13, 2013 issued by the “Peer Review Board” of the ICAI.
 9. The preparation and presentation of the financial statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the Company.
 10. 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 this report be construed as a new opinion on any of the financial statements referred to therein.
 11. We have no responsibility to update our report for the events and circumstances occurring after the date of our report.
 12. In our opinion, the above financial information contained in **Annexure I to Annexure AA** read with respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** are prepared after making

adjustments and regroupings as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

13. Consequently the financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
14. We have no responsibility to update our report for events and circumstances occurring after the date of report.
15. This report is intended solely for the use of Management and for the inclusion in the offer Document in connection with the proposed Initial Public Offer – SME IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

16. Auditors’ Responsibility

Our responsibility is to express an opinion on these restated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

17. Opinion

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

a) In the case of Restated Statement of Assets and Liabilities of the Company as at 31st March, 2016, 31st March, 2015, 31st March, 2014, 31st March, 2013 and 31st March, 2012;

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b) In the case of the Restated Statement of Profit and Loss, of the profit / (loss) of the Company for the Years ended on that date; and

c) In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

For SVK & ASSOCIATES

Chartered Accountants

Firm No. – 118564W

Sd/-

Shilpang V. Karia

Partner

M. No.: 102114

Place: Ahmedabad

Date: 7th September, 2016

ANNEXURE – I
SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

(Amt in Rs.)

	Particulars	Annx.	As At				
			31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
			Rs.	Rs.	Rs.	Rs.	Rs.
(1)	Equity & Liabilities						
	Shareholders' Funds						
	(a) Share Capital	A	40,000,000	100,000	100,000	100,000	100,000
	(b) Reserves & Surplus	B	5,045,626	333,495	144,754	(79,485)	106,338
			45,045,626	433,495	244,754	20,515	206,338
(2)	Non Current Liabilities						
	(a) Long-term borrowings	C	20,521,022	69,406,060	59,925,130	17,510,000	52,813,803
	(b) Deferred tax liabilities (net)	D	391,853	81,564	175,108	29,554	20,710
	(c) Other Long-term Liabilities		-	-	-	-	-
	(d) Long-term provisions	E	12,238	4,452	532	-	-
			20,925,113	69,492,076	60,100,770	17,539,554	52,834,513
(3)	Current liabilities						
	(a) Short-term borrowings		-	-	-	-	-
	(b) Trade payables	F	37,830,158	16,399,805	17,883,752	-	295,214
	(c) Other current liabilities	G	77,359,694	154,684,339	42,508,906	2,012,793	14,483,142
	(d) Short-term provisions	H	717,434	114,000	215,761	24,165	24,962
			115,907,286	171,198,144	60,608,419	2,036,958	14,803,318
	Total		181,878,025	241,123,715	120,953,943	19,597,027	67,844,169
	Assets						
(4)	Non-current assets						
	(a) Fixed Assets	I	7,223,806	6,088,899	6,705,945	1,622,019	3,484,563
	(b) Non-current investments		-	-	-	-	-
	(c) Long-term loans and advances	J	2,510,000	26,088,833	35,844,945	17,859,924	57,720,661
	(d) Other non-current assets		-	-	-	-	-
			9,733,806	32,177,732	42,550,890	19,481,943	61,205,224
(5)	Current Assets						
	(a) Current Investments		-	-	-	-	-
	(b) Inventories	K	156,319,767	195,910,799	74,953,734	-	4,954,170
	(c) Trade Receivables		-	-	-	-	-
	(d) Cash & Bank Balances	L	2,878,621	1,791,926	26,616	115,084	1,657,245
	(e) Short Term Loans & Advances	M	12,945,831	11,177,526	3,422,703	-	27,530
	(f) Other Current Assets	N	-	65,733	-	-	-
			172,144,219	208,945,983	78,403,053	115,084	6,638,945
	Total		181,878,025	241,123,715	120,953,943	19,597,027	67,844,169

Note: The above statement should be read with the restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures II, III and IV respectively.

ANNEXURE – II
STATEMENT OF PROFIT AND LOSS (AS RESTATED)

(Amt in Rs.)

Particulars	Annx	For the Period / Year Ended				
		31/03/16	31/03/15	31/03/14	31/03/13	19/02/2011 to 31/3/2012
Continuing Operations						
Revenue from operations:						
- Revenue From Sale of Services	O	254,425,611	-	-	-	-
- Other Operating Income	O	1,781,877	-	-	10,000	15,000
Net Revenue from operations		256,207,488	-	-	10,000	15,000
Other income	O	168,639	77,819	52,367	11,316	125,037
Total Revenue (A)		256,376,127	77,819	52,367	21,316	140,037
Expenses:						
Cost of Acquisition of Development Rights of Land		78,004,500	-	-	-	-
Cost of Raw Materials Consumed	P	42,863,086	63,482,953	41,966,111	-	-
Project Direct Operating Cost	Q	39,911,816	34,985,964	17,751,448	922,133	2,354,304
Project Indirect Operating Cost	R	30,544,330	9,129,870	3,682,983	401,881	1,458,039
Purchase of Stock-in-trade		-	-	-	-	-
Changes in inventories of finished goods, WIP and Stock-in-Trade	S	45,607,346	(120,957,065)	(67,667,530)	(2,332,034)	(4,954,170)
Employee benefits expense	T	5,039,453	2,449,845	1,531,512	885,660	550,775
Other expenses	U	1,618,007	1,266,095	1,163,259	115,660	5,000
Total Expenses (B)		243,588,538	(9,642,338)	(1,572,217)	(6,700)	(586,052)
Earnings Before Interest, Taxes, Depreciation & Amortization		12,787,589	9,720,157	1,624,584	28,016	726,089
Finance costs	V	4,574,507	8,881,167	911,216	72,611	549,872
Depreciation and amortization expenses		985,756	832,407	240,569	132,384	13,022
Profit before exceptional items, extraordinary items and tax (C=A-B)		7,227,326	6,583	472,799	(176,979)	163,195
Exceptional items (D)		-	-	-	-	-
Profit before extraordinary items and tax (E=C-D)		7,227,326	6,583	472,799	(176,979)	163,195
Extraordinary items (F)		-	-	-	-	-
Profit before tax (G=E-F)		7,227,326	6,583	472,799	(176,979)	163,195
Provision for Tax						
- Current Tax		2,097,849	2,943	91,558	-	36,147
- Tax adjustment of prior years		107,057	(91,558)	11,448	-	-
- Deferred Tax Liability / (Asset)		310,289	(93,544)	145,554	8,843	20,710
- MAT Credit Entitlement		-	-	-	-	-
Tax Expense For The Year (H)		2,515,195	(182,158)	248,560	8,843	56,857
Restated profit after tax from Continuing Operations (I=G-H)		4,712,131	188,741	224,239	(185,823)	106,338
Profit from Discontinuing Operations (J)		-	-	-	-	-
Restated profit for the year from total operations (K=I+J)		4,712,131	188,741	224,239	(185,823)	106,338

Note: The above statement should be read with the restated statement of assets and liabilities, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, III and IV respectively

ANNEXURE – III
CASH FLOW STATEMENT (AS RESTATED)

(Amt in Rs.)

Particulars	For the Year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	19/02/2011 to 31/3/2012
1. Cash Flow From Operating Activities:					
Net Profit before tax, extraordinary & exceptional item	7,227,326	6,583	472,799	(176,979)	163,195
<i>Adjustments for:</i>					
Depreciation and amortization expense	985,756	832,407	240,569	132,384	13,022
Finance Cost	4,574,507	8,881,167	911,216	72,611	549,872
Interest Received / Other Non Operative Receipts	(54,145)	(73,089)	(88)	(7,966)	(111,846)
Operating Profit before Changes in Working Capital	12,733,444	9,647,068	1,624,496	20,050	614,243
<i>Adjustments for:</i>					
Inventories	39,591,032	(120,957,065)	(74,953,734)	4,954,170	(4,954,170)
Trade Receivables	-	-	-	-	-
Short Term & Long Term Loans & Advances	21,806,167	2,005,650	(21,407,724)	39,888,267	(57,748,191)
Other Current Assets	65,733	(65,733)	-	-	-
Trade Payables	21,430,353	(1,483,947)	17,883,752	(295,214)	295,214
Other Current Liabilities	(77,324,645)	112,175,433	40,496,113	(12,470,349)	14,483,142
Short term Provision	11,000	(11,000)	125,000	-	-
Long term Provision	7,786	3,920	532	-	-
Other Current Assets	-	-	-	-	-
Changes in Working Capital	5,587,425	(8,332,742)	(37,856,061)	32,076,874	(47,924,005)
Cash Flow from Extra-Ordinary Items & Exceptional Item	-	-	-	-	-
Cash Generated from Operations	18,320,869	1,314,326	(36,231,565)	32,096,924	(47,309,762)
Taxes Paid	1,608,111	6,508	36,410	797	11,185
Net Cash from Operating Activities	16,712,759	1,307,819	(36,267,975)	32,096,127	(47,320,947)
2. Cash Flow From Investing Activities:					
Fixed Assets Purchased (Net)	(2,120,663)	(215,361)	(5,324,495)	1,730,160	(3,497,585)
Interest Received/ Other Non Operative Receipts	54,145	73,089	88	7,966	111,846
Net Cash from Investing Activities	(2,066,518)	(142,272)	(5,324,407)	1,738,126	(3,385,739)
3. Cash Flow From Financing Activities:					
Proceeds from Issue of Shares	39,900,000	-	-	-	100,000
Proceeds from Short term borrowings	-	-	-	-	-
Proceeds from Long term borrowings	(48,885,038)	9,480,930	42,415,130	(35,303,803)	52,813,803
Finance Cost	(4,574,507)	(8,881,167)	(911,216)	(72,611)	(549,872)
Net Cash from Financing Activities	(13,559,545)	599,763	41,503,914	(35,376,414)	52,363,931
Net Increase/ (Decrease) in Cash & Cash Equivalents	1,086,696	1,765,310	(88,468)	(1,542,161)	1,657,245
Cash & Cash Equivalents at the beginning of the year	1,791,925	26,616	115,084	1,657,245	-
Cash & Cash Equivalents at the end of the year	2,878,621	1,791,926	26,616	115,084	1,657,245

Notes:

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/3/2012
1. Components of Cash & Cash Equivalents :					

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Cash on Hand	129,176	17,153	26,616	48,713	75,043
Cheque on Hand	2,335,000	-	-	-	-
Balances with Scheduled Banks					
In Current Accounts	414,445	839,773	-	66,371	1,582,202
In Deposit Accounts	-	935,000	-	-	-
Total Cash & Cash Equivalents	2,878,621	1,791,926	26,616	115,084	1,657,245

2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act")) read with Rule 7 of Companies (Accounts) Rules, 2014).

3. Figures in Brackets represents outflow.

4. The above statement should be read with the restated statement of assets and liabilities, statement of profit & loss, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II and IV respectively

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE RESTATED SUMMARY STATEMENTS

A. The Company

'Art Nirman Limited' (the company) was originally incorporated as "Vishnudhara Builders Private Limited" on February 19, 2011 under the provisions of Companies Act, 1956 with Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on July 04, 2011 and fresh Certificate of Incorporation dated July 19, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of the Company was changed to "Vishnudhara Buildcon Private Limited". Later, vide Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on September 23, 2011 and a fresh Certificate of Incorporation dated October 08, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of the Company was changed to "Art Nirman Private Limited". Subsequently, the Company was converted into a Public Limited Company pursuant to Shareholder's Resolution passed at the Extra Ordinary General Meeting of the Company held on August 16, 2016 and the name of the Company was changed from "Art Nirman Private Limited" to "Art Nirman Limited" vide a fresh Certificate of Incorporation dated September 2, 2016 issued by the Registrar of Companies, Ahmedabad

B. Increase in Authorized Capital

The Company's Authorized Share Capital was Rs. 1,00,000/-. The Company has increased its authorized share capital by filing resolution for increase in its authorized capital from Rs. 1,00,000/- to 8,00,00,000/- in Extra – Ordinary general meeting held on January 1, 2016

C. Events occurring after Balance Sheet Date

The company has issued 16 lacs shares of Rs. 10/- each to Mr. Ashokkumar R. Thakkar, director of the company vide resolution for the same passed at the Annual General Meeting of the Company held on September 7, 2016.

D. Nature of Operations

The Company is engaged in the business of real estate development, construction of residential and commercial schemes and carrying out construction activities on contractual basis.

I. SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation of financial statements

These financial statements as restated are prepared under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act, 1956 (upto 31st March, 2014) and Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

The financial statements for the year ended 31st March, 2016 and 2015 have been prepared in accordance with Schedule III of the Companies Act, 2013. Financial Statements for the year ended on 31 March 2014, 31 March 2013 and 31 March 2012 in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, adoption of Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

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The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in the accounting policy explained below:

Change in Accounting Policy

The company had not provided for gratuity for the years ended 31st March, 2016, 2015 and 2014. The same is being provided in restated accounts in respective years, on the basis of actuarial valuation. No provision is required to be made for the years ended 31st March, 2013 and 2012, since in the opinion of the management, the same is not applicable for the said years under review.

Up to 31st March 2014, depreciation on fixed assets was provided as per Written Down Value (WDV) method at the rates and manner prescribed in Schedule XIV of the Companies Act, 1956. With effect from 1st April, 2014 depreciation is provided as per Straight Line Method (SLM) over remaining useful life of the assets according to useful life prescribed in Schedule II of the Companies Act, 2013 in audited books of accounts. For the purpose of restatement of accounts, depreciation on fixed assets is provided as per Straight Line Method (SLM) for all the years under review, i.e. 31st March, 2012, 2013, 2014, 2015 & 2016

Restated Standalone Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Designated Stock exchange, RoC and Securities and Exchange Board of India ('SEBI') in connection with its proposed Initial Public Offering.

Use of estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

Change in accounting estimate

Pursuant to Companies Act, 2013 being effective from 1 April 2014, the Company has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

1. Revenue recognition

Revenue from project' is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Construction Income :

The company recognizes revenue for particular project after assessing the uncertainty associated with the project, risks and rewards associated with transfer, reliability of measuring revenue in compliance with the related accounting standard and guidance note issued by the ICAI.

Works Contract Income :

Revenue is recognized in the year on completion of provision of services, when it is reasonably recognized and right to receive the same is established.

Interest & Other Income :

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Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Other income is recognized when right to receive the same is established.

2. Tangible Fixed assets

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost net of modvat / cenvat / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

3. Depreciation & Exceptional Items

Depreciation on fixed assets was provided on Written Down Value (WDV) Method at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 up to the years ended on 31/03/2014, in audited accounts. For the period after 01/04/2014, the depreciation on fixed assets is on Straight Line Method (SLM) at the rates arrived at on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013. The carrying amount as on April 1, 2014 is depreciated over the revised remaining useful life. As a result of these changes, excess depreciation already provided in earlier years amounting to Rs. 4,50,513/- has been credited in the statement of profit & loss for the year ended 31st March, 2015, in audited accounts. The same has been treated as exceptional item in audited accounts by the management of the company.

For the purpose of restatement of accounts, in line with Guidance Note on 'Reports in Company Prospectuses' which states to apply accounting policies for all the years in accordance with the accounting policies used in the latest period, depreciation on fixed assets is being provided on Straight Line Method (SLM) for all the years under consideration; at the rates and manner prescribed in Schedule XIV of the Companies Act, 1956 up to the years ended on 31/03/2014 and at the rates arrived at on the basis of useful life / remaining useful life and in the manner as prescribed in Part C, Schedule II of the Companies Act, 2013 for the years ended on 31/03/2015 and 31/03/2016. The carrying amount as on April 1, 2014 arrived at after following Straight Line Method w.e.f. 1st April, 2011, is depreciated over the revised remaining useful life, thereby no exceptional items created in restated accounts.

The details of useful life of an asset estimated by the management are as follows:-

Type of Asset	Useful Life as per management's estimate from April 1, 2014	Rates Applied FY 11-12 to 13-14
Plant & Machineries	15 Years	13.91%
Air Conditioner	10 Years	13.91%
Furniture & Fixtures	10 Years	18.10%
Vehicles (Motor Cars)	8 Years	NA
Computers	3 Years	40.00%
Intangibles	10 Years	NA

4. Inventories

Raw Materials

Raw materials are valued at cost or market value, whichever is lower. Cost comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Construction Work in Progress

Comprises of all the direct as well as indirect operating costs /development costs incurred till year end, which in the opinion of the management of the company are specifically attributable to the ongoing project. Construction WIP is valued at cost.

Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

5. Retirement Benefits & Other Employee benefits

Defined-contribution plans:

Provisions for Retirement Benefits in the nature of defined contribution to provident fund are not being made since the same are not applicable to the company as per management of the company.

Defined-benefit plans:

Provision for gratuity liability is provided based on actuarial valuation made for the years ended 31st March, 2016, 2015 and 2014. No such provision required to be made for the years ended 31st March, 2013 and 2012

Leave encashment expenditure is charged to profit and loss account at the time of leave encashed and paid, if any. Bonus expenditure is charged to profit and loss account on accrual basis.

6. Borrowing costs

Borrowing costs, which in the opinion of the management of the company, are directly attributable to the particular project are capitalized to such particular project. Some of borrowing costs which are incurred for earning interest income has been claimed as business revenue expenditure / capitalized to the particular project, which are directly attributable so.

7. Taxes on income

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

Current tax -Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

Deferred tax -Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

8. Earnings per share:

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

9. Provisions and contingent liabilities.

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability, if any identifiable.

Contingent assets are not recognized.

10. Cash & Cash Equivalents

Art Nirman Limited

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

11. Segment Reporting

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as "Real Estate Segment.". There are no other primary reportable segments. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

II. NOTES TO RESTATED SUMMARY STATEMENT:

The financial statements for the year ended March 31, 2012, year ended March 31, 2013 and year ended March 31, 2014 are prepared as per the revised schedule VI and financial statements for the year ended March 31, 2015 and year ended March 31, 2016 are prepared as per Schedule III of the Companies Act, 2013. Accordingly, the figures of the previous years have also been re-classified to confirm to classification as per the Schedule III, wherever required. The adoption of revised schedule VI and Schedule III for the figures of the previous years does not impact recognition and measurement principles followed for the preparation of these financial statements.

1. Contingent liabilities and commitments (to the extent not provided for)

In the opinion of the management of the company, there were NIL contingent liabilities as at respective year ends, that may require an outflow of the Company's resources.

2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

According to the information available with the company, no amount is over due and outstanding at the close of the year payable to parties covered under Micro, Small and Medium Enterprises Act, 2006. This has been represented by the Management and has been relied upon by the Auditors. Consequently, no provision in the expenses payable on delayed payment as required by the said Act are necessary.

3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-W of the enclosed financial statements.

4. Deferred Tax Liability / (Asset) in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

(Amt. in Rs.)

Particulars	For the year				
	2015-16	2014-15	2013-14	2012-13	2011-12
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	395,824	329,896	296,165	29,554	20,710
(DTA) on account of closing MAT Credit	-	(101,236)	(2,919)	-	-
(DTA) on account of Unpaid Gratuity	(3,971)	(1,376)	(164)	0	0
(DTA) on account of C/f. Loss	-	(145,720)	(117,974)	-	-
Net Deferred Tax (Asset)/Liability	391,853	81,564	175,108	29,554	20,710

Art Nirman Limited
5. Compensation to Directors:

(Amt. in Rs.)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Compensation to Directors	1,500,000	-	600,000	-	-
Total	1,500,000	-	600,000	-	-

6. Auditors' Remuneration:

(Amt. in Rs.)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
a. As Auditors					
Statutory Audit Fees *	60,000	60,000	60,000	10,000	10,000
Tax Audit Fees *	40,000	25,000	40,000	-	-
Consultancy Fees *	-	15,000	25,000	22,500	27,500
Total	100,000	100,000	125,000	32,500	37,500

* Excluding Service Tax

7. Earnings Per Share :

Earnings per Share have been calculated as under:

Particulars	For the year				
	2015-16	2014-15	2013-14	2012-13	2011-12
A. Number of Shares at the beginning of the year	10,000	10,000	10,000	10,000	10,000
Shares issued during the year:					
- Allotment	3,990,000	-	-	-	-
B. Total Number of equity shares outstanding at the end of the year	4,000,000	10,000	10,000	10,000	10,000
C. Weighted average number of equity shares outstanding during the year (Considering Bonus Issue)	347,951	10,000	10,000	10,000	10,000
D. Net profit after tax available for equity shareholders (as restated)	4,712,131	188,741	224,239	(185,823)	106,338
E. Basic and Diluted earnings per share (Rs.) (D/C)	13.54	18.87	22.42	-18.58	10.63

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

10. The balances of unsecured loans, trade payables, provisions, loans and advances, other current liabilities and other current assets are subject to confirmations of respective parties concerned. Wherever confirmation of the parties for the amounts due to them / amounts due from them as per books of accounts are not received, necessary adjustments, if any, will be made when the accounts are reconciled / settled.

11. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

(a) Defined Benefit Plan (Gratuity)		(Amt. in Rs.)				
Particulars	For The Year					
	2015-16	2014-15	2013-14	2012-13	2011-12	
	Rs.	Rs.	Rs.	Rs.	Rs.	

Art Nirman Limited

1. The amounts recognized in the Balance Sheet are as follows:					
Present value of unfunded obligations recognized	12,238	4,452	532	-	-
Net Liability	12,238	4,452	532	-	-
2. The amounts recognized in the Profit & Loss A/c are as follows:					
Current Service Cost	6,451	3,565	532	-	-
Interest on Defined Benefit Obligation	356	43	-	-	-
Net Actuarial Losses / (Gains) Recognized in Year	979	312	-	-	-
Total, Included in "Salaries, allowances & welfare"	7,786	3,920	532	-	-
3. Changes in the present value of defined benefit obligation:					
Defined benefit obligation as at the beginning of the year/period	4,452	532	-	-	-
Service cost	6,451	3,565	532	-	-
Interest cost	356	43	-	-	-
Actuarial Losses/(Gains)	979	312	-	-	-
Defined benefit obligation as at the end of the year/period	12,238	4,452	532	-	-
Retirement Age:	60Years	60Years	60Years	-	-
Vesting Period:	5Years	5Years	5Years	-	-
The principal actuarial assumptions for the above are:					
Future Salary Rise:	5.00%p.a.	5.00%p.a.	5.00%p.a.	-	-
Discount rate per annum:	8.00%p.a.	8.00%p.a.	8.00%p.a.	-	-
Withdrawal Rate:	50.00%p.a.	50.00%p.a.	50.00%p.a.	-	-
Method Used:	Projected Unit Credit (PUC)				
Mortality Rate:	Indian Assured Lives Mortality (2006-08) Ult.				

The estimated future salary increases, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(b) Defined Contribution Plans

Provisions for Retirement Benefits in the nature of defined contribution to provident fund are not being made since the same are not applicable to the company as per management of the company.

12. Realizations.

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

13. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

14. Amounts in the financial statements

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

15. Previous year's figures

Art Nirman Limited

The Revised Schedule VI has become effective from 1 April, 2011 and Schedule III has become effective from 1st April, 2014 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Figures for the year ended March 31, 2011 wherever dealt in this statement have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure to the extent possible.

16. Material Adjustments

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI / Revised Schedule VI / Schedule III and Accounting Standards.

Statement of Adjustments in the financial statements:
(Amt. in Rs.)

Particulars	For The Year				
	2015-16	2014-15	2013-14	2012-13	2011-12
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	5,119,216	364,350	(122,405)	(402,335)	98,291
Adjustment on Account of :					
1. (Less) : Adjustment on account of Gratuity Provision	(7,786)	(3,920)	(532)	-	-
2. (Less) : Adjustment of Exceptional Items as per audited accounts on account of depreciation adjusted in respective years		(450,514)			
3. Add / (Less) : Adjustment of Deferred Tax Provision	(230,059)	141,612	(21,921)	(20,498)	(7,155)
4. Add / (Less) : Adjustment of Depreciation on account of depreciation method	(46,284)	(46,401)	465,708	224,002	23,158
5. Add / (Less) : Adjustment on account of change in stock valuation	-	-	-	13,009	(13,009)
6. Add / (Less) : Adjustment of Income Tax Provision	(137,956)	198,615	(96,612)	-	5,053
7. Add / (Less) : Adjustment on account of Finance Cost adjusted in respective years	15,000	(15,000)	-	-	-
Total (B)	(407,085)	(175,608)	346,643	216,513	8,047
Net Profit as Restated (A+B)	4,712,131	188,742	224,238	(185,823)	106,338

Provision of Gratuity

The company had not provided for gratuity for the years ended 31st March, 2016, 2015 and 2014. The same is being provided in restated accounts in respective years, on the basis of actuarial valuation. No provision is required to be made for the years ended 31st March, 2013 and 2012, since in the opinion of the management, the same is not applicable for the said years under review.

The above statement should be read with the restated statement of assets and liabilities, statement of profit & loss and cash flow statement as appearing in Annexures I, II and III respectively

For, SVK & ASSOCIATES
Chartered Accountants
F. R. No. 118564W

For, ART NIRMAN LTD.

Sd/-
Shilpang V. Karia
Partner
M. No. 102114

Sd/-
Ashokkumar R. Thakkar
Director
DIN : 02842849

Sd/-
Dharmisthaben A. Thakkar
Director
DIN : 03423373

Place : Ahmedabad
 Date : 7th September, 2016

Sd/-
 Ziral P. Soni
 Company Secretary

Sd/-
 Kirtar S. Munshi
 Chief Financial Officer

ANNEXURE – A
STATEMENT OF SHARE CAPITAL

(Amt in Rs.)

Particulars	As at				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Share Capital					
Authorized Share Capital					
Equity shares of Rs.10 each	8,000,000	10,000	10,000	10,000	10,000
Share Capital (in Rs.)	80,000,000	100,000	100,000	100,000	100,000
Issued, Subscribed and Paid up Share Capital					
Equity Shares of Rs. 10 each fully paid up	4,000,000	10,000	10,000	10,000	10,000
Share Capital (in Rs.)	40,000,000	100,000	100,000	100,000	100,000
Total	40,000,000	100,000	100,000	100,000	100,000

Reconciliation of Number of Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Equity Shares					
Shares outstanding at the beginning of the year	10,000	10,000	10,000	10,000	-
Shares Issued during the year	3,990,000	-	-	-	10,000
Shares bought back during the year	-	-	-	-	-
Shares outstanding at the end of the year	4,000,000	10,000	10,000	10,000	10,000

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	31/03/16		31/03/15		31/03/14		31/03/13		31/03/12	
	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
Ashokkumar R. Thakkar	3,994,977	99.87%	4,977	49.77%	4,977	49.77%	4,977	49.77%	4,977	49.77%
Dharmisthaben A. Thakkar	5,000	0.13%	5,000	50.00%	5,000	50.00%	5,000	50.00%	5,000	50.00%
	3,999,977		9,977		9,977		9,977		9,977	

Shares issued other than cash, bonus issue and shares bought back

Particulars	Year (Aggregate No. of Shares)				
	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Shares :					

Art Nirman Limited

Fully paid up pursuant to contract(s) without payment being received in cash	3990000	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
Unpaid Calls	2015-16	2014-15			
By Directors	Nil	Nil			
By others	Nil	Nil			

Notes:

Issue of shares other than cash
1. The company allotted 39,90,000 shares of Rs. 10 each to Mr. Ashokkumar R. Thakkar, director of the company, on March 1, 2016 as per agreement dated November 17, 2015 against unsecured loan outstanding from such director
2. Terms / Rights attached to Equity Shares
The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share.
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
4. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE – B
STATEMENT OF RESERVES AND SURPLUS

(Amt in Rs.)

Particulars	As at				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus in Statement of Profit & Loss					
Balance as per last financial statements	333,495	144,754	(79,485)	106,338	-
Add : Profit for the year	4,712,131	188,741	224,239	(185,823)	106,338
Closing Balance	5,045,626	333,495	144,754	(79,485)	106,338

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. Company does not have any Revaluation Reserve.
3. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE – C
STATEMENT OF LONG TERM BORROWINGS

(Amt. in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Long Term Borrowings					
Term Loans and Vehicle Loans					
From Banks & Financial Institutions	498,022	586,403	1,896,712	-	-

Art Nirman Limited

Loans and advances from related parties					
From Directors	6,763,000	25,759,657	9,179,651	-	5,673,151
From Relatives of Directors	-	-	-	-	1,680,652
From Shareholders	13,260,000	14,760,000	15,804,087	17,510,000	35,960,000
From Others	-	-	-	-	9,500,000
Inter Corporate Deposits					
From Others	-	28,300,000	33,044,680	-	-
TOTAL	20,521,022	69,406,060	59,925,130	17,510,000	52,813,803
Current portion of long-term borrowings, included under Other Current Liabilities	897,384	52,146,802	1,165,275	-	-
TOTAL LONG-TERM BORROWINGS	21,418,406	121,552,862	61,090,405	17,510,000	52,813,803
The above amount includes:					
Secured Borrowings	1,395,406	52,733,205	3,061,987	-	-
Unsecured Borrowings	20,023,000	68,819,657	58,028,418	17,510,000	52,813,803
TOTAL	21,418,406	121,552,862	61,090,405	17,510,000	52,813,803

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
4. The terms and conditions and other information in respect of Secured Loans are given in Annexure-C1
5. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure-C2

ANNEXURE – C1
STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Amt. in Rs.)

A. Working Capital Facilities & Term Loans from Banks											
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At				
							31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Secured Borrowings											
TATA Capital Housing Finance Ltd.	Project Loan	70,000,000	16.00%	As per Note 1	Repayable in 15 monthly installments starting from May 2015	13 Months (April 14 to April 15)	-	51,461,554	-	-	-
ICICI Bank Ltd.	Term Loan I (Machinery)	1,945,000	12.02%	Hypothecation of Machinery Financed (Also refer note 2)	Repayable in 35 monthly installments starting from Oct 2013	Nil	317,612	1,026,335	1,655,138	-	-
ICICI Bank Ltd.	Term Loan II (Machinery)	1,655,000	11.51%	Hypothecation of Machinery Financed (Also refer note 2)	Repayable in 35 monthly installments starting from Oct 2013	Nil	268,792	870,375	1,406,849	-	-

Notes:

1) Project Land admeasuring 4522 Sq Mtrs lying at and being Ser. No. 198/1/1, FP No. 141/1, TP 32(Gota), Gota, Ahmedabad together with Residential Project titled "Vishnudhara Cross Road" and alongwith all the buildings, structures, erections and other constructions thereon and all plant, machinery, fixtures and fittings attached to the earth or permanently fastened to anything attached to the earth, both present and future and project receivables.

2) Third Party Personal Guarantee of :
 1. Mr. Ashokkumar R. Thakkar (director)
 2. Ms. Dharmisthaben A. Thakkar (director)

3) Mr. Ashokkumar R. Thakkar and Ms. Dharmisthaben A. Thakkar, directors of the company are also co-borrowers in Project Loan Rs. 70,000,000 availed from TATA Capital Housing Finance Ltd.

B. Business Loans / Vehicle Loans From Banks & Financial Institutions											
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At				
							31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
ICICI Bank Ltd.	Vehicle Loan	809,000	9.50%	Hypothecation of Vehicle Financed	Repayable in 36 monthly installments starting from April 2016	Nil	809,000	-	-	-	-

ANNEXURE - C2
STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

1. Details Of Unsecured Loans outstanding as at the end of the respective periods from Directors / Promoters / Promoter Director / Promoter Group / Associates / Relatives Of Directors / Group Companies

Unsecured Loans from Directors/Promoters/Promoter Director/Promoter Group/Associates/Relatives of Directors/Share Holders/Group Companies/Corporates/Others, as at respective year ends, are generally as per respective rates mentioned below, which can be reviewed as per mutually agreed terms from time to time

Long Term in nature. Generally not repayable on demand. Repayable as per mutually agreed terms from time to time.

Details of Unsecured Loans from Promoters / Promoter Directors

(Amt in Rs.)

1 Name : Ashokkumar R. Thakkar					
Particulars					
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Rate of Interest	Nil	Nil	18%	Nil	12%
Opening Balance	25,759,657	9,179,651	-	5,673,151	-
Amount Received	128,438,000	38,830,006	11,692,198	780,000	10,430,000
Interest	-	-	97,170	-	270,168
Tr to Share Capital (Allotment)	39,900,000	-	-	-	-
Amount repaid	107,534,657	22,250,000	2,600,000	6,453,151	5,000,000
TDS	-	-	9,717	-	27,017
Outstanding Amount	6,763,000	25,759,657	9,179,651	-	5,673,151

2 Name : Dharmisthaben A. Thakkar					
Rate of Interest- Nil					
Particulars					
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Rate of Interest	Nil	Nil	Nil	Nil	Nil
Opening Balance	-	-	-	-	-
Amount Received	-	-	-	-	4,825,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	-	4,825,000
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	-

Details of Unsecured Loans from Relatives of Directors

3 Name : Ashokkumar R. Thakkar (HUF)					
Rate of Interest- Nil					
Particulars					
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	140,000	-
Amount Received	-	-	-	-	140,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	140,000	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	140,000

4 Name : Kirti Industries (Prop. Kirit R. Thakkar)					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	470,000	-
Amount Received	-	-	-	-	500,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	470,000	30,000
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	470,000

5 Name : Kirti Matches (Prop. Kirit R. Thakkar)					
Rate of Interest- 12%					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	1,010,652	-
Amount Received	-	-	-	-	1,000,000
Interest	-	-	-	-	11,836
Amount repaid	-	-	-	1,010,652	-
TDS	-	-	-	-	1,184
Outstanding Amount	-	-	-	-	1,010,652

6 Name : Raghurambhai V. Thakkar					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	-	-
Amount Received	-	-	-	-	300,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	-	300,000
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	-

7 Name : Raghurambhai V. Thakkar (HUF)					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	60,000	-
Amount Received	-	-	-	-	60,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	60,000	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	60,000

8 Name : Jayaben R. Thakkar					
Rate of Interest- 12%					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12

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	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	-	-
Amount Received	-	-	-	-	245,000
Interest	-	-	-	-	11,355
Amount repaid	-	-	-	-	255,219
TDS	-	-	-	-	1,136
Outstanding Amount	-	-	-	-	-

Details of Unsecured Loans from Shareholders

9 Name : Alpeshbhai Patel					
Rate of Interest- 12%					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	1,044,087	-	3,000,000	-
Amount Received	-	-	1,000,000	2,500,000	3,000,000
Interest	-	-	48,986	-	-
Amount repaid	-	1,044,087	-	5,500,000	-
TDS	-	-	4,899	-	-
Outstanding Amount	-	-	1,044,087	-	3,000,000

10 Name : Arunbhai Patel					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	1,000,000	1,000,000	-
Amount Received	-	-	-	-	1,000,000
Interest	-	-	-	-	-
Amount repaid (JV)	-	-	1,000,000	-	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	1,000,000	1,000,000

11 Name : Devchand Kantilal Panchiwala					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	9,000,000	-
Amount Received	-	-	-	-	9,000,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	9,000,000	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	9,000,000

12 Name : Harshaben S Patel					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	1,500,000	-
Amount Received	-	-	-	-	1,500,000

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Interest	-	-	-	-	-
Amount repaid	-	-	-	1,500,000	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	1,500,000

13 Name : Jayantji Malaji
Rate of Interest- Nil

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	5,000,000	5,000,000	5,000,000	5,000,000	-
Amount Received	-	-	-	-	5,000,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	-	-
TDS	-	-	-	-	-
Outstanding Amount	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

14 Name : Manjulaben Rasiklal
Rate of Interest- 9%

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	500,000	-
Amount Received	-	-	-	-	500,000
Interest	-	-	-	30,082	-
Amount repaid	-	-	-	527,074	-
TDS	-	-	-	3,008	-
Outstanding Amount	-	-	-	-	500,000

15 Name : Mohanlal Sukharam Krishnani
Rate of Interest- Nil

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	200,000	-
Amount Received	-	-	-	-	200,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	200,000	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	200,000

16 Name : Neetaben D Patel
Rate of Interest- Nil

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	250,000	250,000	-
Amount Received	-	-	-	-	250,000
Interest	-	-	-	-	-
Amount repaid	-	-	250,000	-	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	250,000	250,000

17 Name : Bhavinbhai S Thakkar					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	1,000,000	1,000,000	-
Amount Received	-	-	-	-	1,000,000
Interest	-	-	-	-	-
Amount repaid	-	-	1,000,000	-	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	1,000,000	1,000,000

18 Name : Rameshchandra Shitaldas					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	300,000	-
Amount Received	-	-	-	-	300,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	300,000	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	300,000

19 Name : Rameshwar S Khatri					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	500,000	500,000	-
Amount Received	-	-	-	-	500,000
Interest	-	-	-	-	-
Amount repaid	-	-	500,000	-	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	500,000	500,000

20 Name : Rasiklal Dayarambhai HUF					
Rate of Interest- 9%					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	500,000	-
Amount Received	-	-	-	-	500,000
Interest	-	-	-	30,082	-
Amount repaid	-	-	-	527,074	-
TDS	-	-	-	3,008	-
Outstanding Amount	-	-	-	-	500,000

21 Name : Shirishbhai Gopalbhai Patel					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12

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Opening Balance	8,260,000	8,260,000	8,260,000	8,260,000	-
Amount Received	-	-	-	-	8,260,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	-	-
TDS	-	-	-	-	-
Outstanding Amount	8,260,000	8,260,000	8,260,000	8,260,000	8,260,000

22 Name : Shitalbhai Rameshbhai
Rate of Interest- Nil

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	1,500,000	1,500,000	1,500,000	1,500,000	-
Amount Received	-	-	-	-	1,500,000
Interest	-	-	-	-	-
Amount repaid (JV)	1,500,000	-	-	-	-
TDS	-	-	-	-	-
Outstanding Amount	-	1,500,000	1,500,000	1,500,000	1,500,000

23 Name : Sukharam N Krishnani
Rate of Interest- Nil

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	200,000	-
Amount Received	-	-	-	-	200,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	200,000	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	200,000

24 Name : S. R. Patel
Rate of Interest- Nil

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	1,250,000	-
Amount Received	-	-	-	2,500,000	1,250,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	3,750,000	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	1,250,000

25 Name : Virambhai Rudabhai
Rate of Interest- Nil

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	2,000,000	-
Amount Received	-	-	-	-	5,000,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	2,000,000	3,000,000
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	2,000,000

Details of Unsecured Loans by way of Inter-Corporate Deposits

26 Name : M. K. Shipping & Allied India Pvt. Ltd.					
Rate of Interest- 18%					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	-	-
Amount Received	-	-	-	-	20,000,000
Interest	-	-	-	-	243,123
Amount repaid	-	-	-	-	20,218,811
TDS	-	-	-	-	24,312
Outstanding Amount	-	-	-	-	-

27 Name : Airan Consultants Pvt. Ltd.					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	17,500,000	-	-	-	-
Amount Received	-	17,500,000	21,000,000	-	-
Interest	-	-	-	-	-
Amount repaid	17,500,000	-	21,000,000	-	-
TDS	-	-	-	-	-
Outstanding Amount	-	17,500,000	-	-	-

28 Name : Cher Hair & Beauty Lounge Pvt. Ltd.					
Rate of Interest- 12%					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	1,044,680	-	-	-
Amount Received	-	-	1,000,000	-	-
Interest	-	-	49,645	-	-
Amount repaid	-	1,044,680	-	-	-
TDS	-	-	4,965	-	-
Outstanding Amount	-	-	1,044,680	-	-

29 Name : Kushal Tradelink Ltd.					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	10,800,000	32,000,000	-	-	-
Amount Received	-	-	48,000,000	-	-
Interest	-	-	-	-	-
Amount repaid	10,800,000	21,200,000	16,000,000	-	-
TDS	-	-	-	-	-
Outstanding Amount	-	10,800,000	32,000,000	-	-

30 Name : Mahavir Rolling Mills Ltd.					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12

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ROI	21%	21%	18%	Nil	Nil
Opening Balance	-	-	-	-	-
Amount Received	10,000,000	10,000,000	10,000,000	-	-
Interest	448,767	765,205	476,384	-	-
Amount repaid	10,403,890	10,688,684	10,428,746	-	-
TDS	44,877	76,521	47,638	-	-
Outstanding Amount	-	-	-	-	-

Details of Unsecured Loans from Others

31 Name : Riddhi Siddhi Enterprise, Deesa					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	9,500,000	-
Amount Received	-	-	-	-	9,500,000
Interest	-	-	-	-	-
Amount repaid	-	-	-	9,500,000	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	9,500,000

32 Name : Piyush C Thakkar					
Rate of Interest- Nil					
Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance	-	-	-	-	-
Amount Received	-	-	6,500,000	-	-
Interest	-	-	-	-	-
Amount repaid	-	-	6,500,000	-	-
TDS	-	-	-	-	-
Outstanding Amount	-	-	-	-	-

ANNEXURE- D
STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Amt in Rs.)

Particulars	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Opening Balance (A)	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Balance of Deferred Tax (Asset) / Liability	81,564	175,108	29,554	20,710	0
Closing Balances (B)					
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	395,824	329,896	296,165	29,554	20,710
(DTA) on account of MAT Credit	-	(101,236)	(2,919)	-	-
(DTA) on account of Unpaid Gratuity	(3,971)	(1,376)	(164)	-	-
(DTA) / DTL on account of C/f. Business Loss & Unabsorbed Depreciation	-	(145,720)	(117,974)	-	-

Art Nirman Limited

Closing Balance of Deferred Tax (Asset) / Liability (B)	391,853	81,564	175,108	29,554	20,710
Current Year Provision (B-A)	310,289	(93,544)	145,554	8,843	20,710

Notes:

The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-E
STATEMENT OF LONG-TERM PROVISIONS

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Provision for Gratuity (unfunded)	12,238	4,452	532	-	-
TOTAL	12,238	4,452	532	-	-

Notes:

The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-F
STATEMENT OF TRADE PAYABLES

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Trade Payables					
For Goods & Expenses	9,089,906	16,399,805	17,883,752	-	295,214
For Land	28,740,252	-	-	-	-
TOTAL	37,830,158	16,399,805	17,883,752	-	295,214

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

3. According to the information available with the company, no amount is over due and outstanding at the close of the year payable to parties covered under Micro, Small and Medium Enterprises Act, 2006. This has been represented by the Management and has been relied upon by the Auditors. Consequently, no provision in the expenses payable on delayed payment as required by the said Act are necessary.

ANNEXURE-G
STATEMENT OF OTHER CURRENT LIABILITIES

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12

Art Nirman Limited

	Rs.	Rs.	Rs.	Rs.	Rs.
Current maturities of long-term borrowings					
From Banks & Financial Institutions	897,384	52,146,802	1,165,275	-	-
Duties & Taxes / Statutory Liabilities	299,557	340,140	457,598	12,793	161,140
Interest accrued but not due (Long Term Borrowings)	-	625,059	-	-	-
Advance from customers	71,122,877	99,359,276	25,145,838	-	12,322,002
Retention Money	544,876	1,713,062	411,884	-	-
Maintenance Deposit	3,995,000	-	-	-	-
Credit Balance in Current Account	-	-	14,828,311	-	-
Other Current Liabilities	500,000	500,000	500,000	2,000,000	2,000,000
TOTAL	77,359,694	154,684,339	42,508,906	2,012,793	14,483,142

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-H
STATEMENT OF SHORT-TERM PROVISIONS

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Provisions :					
For Income Tax (Net off Advance Tax & TDS)	592,434	-	90,761	24,165	24,962
Provision for Expenses	125,000	114,000	125,000	-	-
TOTAL	717,434	114,000	215,761	24,165	24,962

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-I
STATEMENT OF FIXED ASSETS

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets					
Plant & Machineries					
Machineries	3,724,860	4,022,908	4,320,955	-	47,395
Vehicles					
Car	911,173	-	-	-	-
Office Equipments and Furniture & Fixtures					
Furniture & Fixtures	1,176,284	1,359,735	1,543,185	1,184,606	-

Art Nirman Limited

Air Conditioners	185,453	370,647	409,010	437,413	452,852
Computers & Softwares					
Computers	420,931	335,609	432,795	-	135,525
Total Tangible Assets	6,418,701	6,088,899	6,705,945	1,622,019	635,772
Intangible Assets					
Softwares	805,105	-	-	-	-
Total Intangible Assets	805,105	-	-	-	-
Capital Work-in-Progress					
Building	-	-	-	-	1,223,722
Furniture	-	-	-	-	1,625,069
Total Capital Work-in-Progress	-	-	-	-	2,848,791
Grand Total	7,223,806	6,088,899	6,705,945	1,622,019	3,484,563

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-J
STATEMENT OF LONG-TERM LOANS AND ADVANCES

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Unsecured, Considered Good unless otherwise stated					
Security Deposit	10,000	10,000	10,000	10,000	-
Advance for Project Land	-	23,578,833	33,317,346	13,285,476	50,090,231
Capital Advances	-	-	-	-	120,000
Others	2,500,000	2,500,000	2,517,599	4,564,448	7,510,430
TOTAL	2,510,000	26,088,833	35,844,945	17,859,924	57,720,661
Of Above, Advances Recoverable From Related Parties					
Directors & Relatives	-	23,578,833	33,317,346	14,332,325	50,090,231
Entities significantly influenced by Directors & their relatives	-	-	17,599	17,599	1,510,430

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE-K
STATEMENT OF INVENTORIES

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Closing Inventories of					
Raw Materials	6,016,314	-	-	-	-
Work in Progress & Finished Goods	150,303,453	195,910,799	74,953,734	-	4,954,170
TOTAL	156,319,767	195,910,799	74,953,734	-	4,954,170

As taken, valued and certified by the management of the company.

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-L
STATEMENT OF CASH & CASH EQUIVALENTS

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
a. Cash on Hand	129,176	17,153	26,616	48,713	75,043
b. Cheque on Hand	23,35,000	-	-	-	-
b. Balances with Banks					
- In Current Accounts	414,445	839,773	-	66,371	1,582,202
- In Bank Deposits	-	935,000	-	-	-
TOTAL	2,878,621	1,791,926	26,616	115,084	1,657,245

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

ANNEXURE-M
STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Unsecured, Considered Good unless otherwise stated					
Prepaid Expenses	146,906	19,620	-	-	-

Art Nirman Limited

Advance Payment Against Taxes	265,965	3,764,272	859,288	-	-
Advance to Suppliers	12,120,876	6,632,048	1,445,437	-	27,530
Others	412,084	761,586	1,117,978	-	-
TOTAL	12,945,831	11,177,526	3,422,703	-	27,530
Of Above, Advances Recoverable From					
Related Parties					
Directors & Relatives	Nil	Nil	Nil	Nil	Nil
Entities significantly influenced by Directors & their relatives	Nil	Nil	Nil	Nil	Nil

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE-N
STATEMENT OF OTHER CURRENT ASSETS

(Amt in Rs.)

PARTICULARS	As At				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Receivable on Bank FDs	-	65,733	-	-	-
TOTAL	-	65,733	-	-	-

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-O
STATEMENT OF REVENUE FROM OPERATIONS

STATEMENT OF REVENUE FROM SALE OF SERVICES

(Amt in Rs.)

PARTICULARS	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Construction Receipt	254,425,611	-	-	-	-
Net Sale of Services	254,425,611	-	-	-	-

STATEMENT OF REVENUE FROM OTHER OPERATING INCOME

(Amt in Rs.)

PARTICULARS	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12

Art Nirman Limited

	Rs.	Rs.	Rs.	Rs.	Rs.
Cancellation Charges	372,103	-	-	10,000	15,000
Works Contract Income	1,409,774	-	-	-	-
Total	1,781,877	-	-	10,000	15,000

STATEMENT OF OTHER INCOME

(Amt in Rs.)

PARTICULARS	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Income	54,145	73,089	88	7,966	111,846
Misc. Income	114,494	4,730	23,723	3,350	13,191
Scrap Income	-	-	28,556	-	-
Total	168,639	77,819	52,367	11,316	125,037

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-P
STATEMENT OF COST OF RAW MATERIALS CONSUMED

(Amt in Rs.)

PARTICULARS	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Stock	-	-	-	-	-
Add : Purchases (Net)	48,879,400	63,482,953	41,966,111	-	-
Less : Closing Stock	6,016,314	-	-	-	-
Raw Materials & Components Consumed	42,863,086	63,482,953	41,966,111	-	-

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-Q
STATEMENT OF PROJECT DIRECT OPERATING COST

(Amt in Rs.)

Particulars	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Direct Operating Cost					
Labour Charges	22,047,753	16,151,049	5,478,509	477,870	787,178
Project Legal & Professional Charges	185,000	3,551,820	462,360	-	587,717
Site Exps.	205,504	218,142	421,063	4,550	910,850

Art Nirman Limited

Transportation Exps.	216,307	2,336,466	1,552,654	360,000	68,559
Betterment Charges	-	-	539,047	-	-
Site Office Building Expenditures	-	-	1,300,786	-	-
Machinery Maintenance Contract Exps.	136,600	1,153,000	300,662	-	-
Development Agreement Exps.	-	-	550,000	-	-
D G Set with Canopy	-	-	440,000	-	-
Plan Passing Exps.	12,594,534	9,895,785	5,191,639	-	-
Other Direct Operating Expenses	4,526,118	1,679,702	1,514,728	79,713	-
Total Direct Operating Cost	39,911,816	34,985,964	17,751,448	922,133	2,354,304

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-R
STATEMENT OF PROJECT INDIRECT OPERATING COST

(Amt in Rs.)

PARTICULARS	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Project Advertisement Expenses	2,196,672	8,131,657	3,148,994	339,066	1,348,329
Project Hoarding Design Expenses	-	10,500	33,441	-	-
Stamp Duty & Registration Exps.	14,265,830	-	245,000	-	-
Service Tax on Members Collection	11,641,299	-	-	-	-
VAT Tax on Members Collection	1,419,812	648,851	-	-	-
Other Indirect Operating Expenses	1,020,717	338,862	255,548	62,815	109,710
Total Indirect Operating Cost	30,544,330	9,129,870	3,682,983	401,881	1,458,039

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-S
STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amt in Rs.)

PARTICULARS	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
a. Stock-In-Trade (at close)					
Work-In-Progress & Finished Goods	150,303,453	195,910,799	74,953,734	-	4,954,170
Work-In-Progress transferred	-	-	-	7,286,204	-
Stock-In-Trade	-	-	-	-	-
Total (a)	150,303,453	195,910,799	74,953,734	7,286,204	4,954,170

Art Nirman Limited

b. Stock-In-Trade (at commencement)					
Work-In-Progress & Finished Goods	195,910,799	74,953,734	-	4,954,170	-
Work-In-Progress transferred	-	-	7,286,204	-	-
Stock-In-Trade	-	-	-	-	-
Total (b)	195,910,799	74,953,734	7,286,204	4,954,170	-
Total (b-a)	45,607,346	(120,957,065)	(67,667,530)	(2,332,034)	(4,954,170)

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-T
STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(Amt in Rs.)

Particulars	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Salary, Wages and Bonus (including directors' remuneration)	5,003,667	2,445,925	1,530,980	885,660	550,775
Contribution to Provident Fund, Gratuity Fund Provision & Other Contribution	7,786	3,920	532	-	-
Staff Welfare Expenses	28,000	-	-	-	-
Total	5,039,453	2,449,845	1,531,512	885,660	550,775

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-U
STATEMENT OF OTHER EXPENSES

(Amt in Rs.)

Particulars	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
a. Sales & Distribution Expenses					
Commission Expenses	257,175	700,000	880,000	100,000	-
Sales Promotion Expenses	-	37,500	11,110	-	-
Rates & Taxes	-	13,226	-	-	-
Total (a)	257,175	750,726	891,110	100,000	-
b. General & Administration Expenses					

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Rates & Taxes	25,537	1,661	-	-	-
Conveyance, Tour and Travelling Expenses	311,212	135,300	-	-	-
Auditors' Remuneration	100,000	96,900	100,000	-	-
Legal & Professional Expenses	157,275	53,395	86,730	-	-
Software Development Charges	250,000	-	-	-	-
General Administration Expenses	516,808	228,113	85,419	15,660	5,000
Total (b)	1,360,832	515,369	272,149	15,660	5,000
Total (a+b)	1,618,007	1,266,095	1,163,259	115,660	5,000

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-V
STATEMENT OF FINANCE COSTS

(Amt in Rs.)

Particulars	For the year ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest on Term Loans	4,054,839	6,915,156	194,287	-	-
Interest on Unsecured Loans	448,767	765,205	672,185	60,164	536,482
Other Interest	52,453	5,914	44,744	11,559	10,650
Other Financial Charges	18,447	1,194,892	-	888	2,740
Total	4,574,507	8,881,167	911,216	72,611	549,872

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

ANNEXURE-W
STATEMENT OF RELATED PARTY TRANSACTION

a) Names of the related parties with whom transactions were carried out during the years and description of relationship:

1	Ashokkumar R. Thakkar	-	Director
2	Dharmisthaben A. Thakkar	-	Director
3	Ashokkumar R. Thakkar HUF	-	Relative of Director cum Shareholder
4	Kiritkumar R. Thakkar	-	Relative of Director cum Shareholder
5	Geetaben K. Thakkar	-	Relative of Director
6	Raghurambhai V. Thakkar	-	Relative of Director cum Shareholder
7	Raghurambhai V. Thakkar HUF	-	Relative of Director cum Shareholder
8	Jayaben R. Thakkar	-	Relative of Director
9	Dhara Infrastructure	-	Companies / Entities owned / significantly influenced by directors and relatives

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10	Kirti Industries	-	Companies / Entities owned / significantly influenced by relatives of directors
11	Kirti Matches	-	Companies / Entities owned / significantly influenced by relatives of directors

1. Transactions with Companies / Entities owned / significantly influenced by directors and relatives
(Amt in Rs.)

Sr. No	Nature of Transactions	For The Year ended				
		31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
		Rs.	Rs.	Rs.	Rs.	Rs.
A	Transaction During the Year					
	Loans & Advances Given					
	Dhara Infrastructure	-	-	-	-	3,500,000
	Loans & Advances Received Back					
	Dhara Infrastructure	-	17,599	-	1,500,000	2,000,000
	Interest Income					
	Dhara Infrastructure	-	-	-	7,966	11,589
B	Closing Balance Dr/(Cr)					
	For Loan Liability/Advance (including interest, if any)					
	Dhara Infrastructure	-	-	17,599	17,599	1,510,430

2. Transactions with Companies / Entities owned / significantly influenced by relatives of directors
(Amt in Rs.)

Sr. No	Nature of Transactions	For The Year ended				
		31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
		Rs.	Rs.	Rs.	Rs.	Rs.
A	Transaction During the Year					
	Loans & Advances Received					
	Kirti Industries	-	-	-	-	500,000
	Kirti Matches	-	-	-	-	1,000,000
	Loans & Advances Repaid Back					
	Kirti Industries	-	-	-	470,000	30,000
	Kirti Matches	-	-	-	1,010,652	-
	Interest Expenses					
	Kirti Matches	-	-	-	-	11,836
B	Closing Balance Dr/(Cr)					
	For Loan Liability/Advance (including interest, if any)					
	Kirti Industries	-	-	-	-	(470,000)

Kirti Matches	-	-	-	-	(1,010,652)
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3. Transactions with key management personnel
(Amt in Rs.)

Sr. No	Nature of Transactions	Year ended				
		31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
		Rs.	Rs.	Rs.	Rs.	Rs.
A	Transaction During the Year					
	Loans & Advances Received					
	Ashokkumar R. Thakkar	128,438,000	38,830,006	11,692,198	780,000	10,430,000
	Dharmisthaben A. Thakkar	-	-	-	-	4,825,000
	Loans & Advances Repaid					
	Ashokkumar R. Thakkar	107,534,657	22,250,000	2,600,000	6,453,151	5,000,000
	Dharmisthaben A. Thakkar	-	-	-	-	4,825,000
	Share Allotment					
	Ashokkumar R. Thakkar	-	-	-	-	50,000
	Ashokkumar R. Thakkar (from USL)	39,900,000	-	-	-	-
	Dharmisthaben A. Thakkar	-	-	-	-	50,000
	Loans & Advances Given					
	Ashokkumar R. Thakkar	-	-	-	1,046,849	-
	Dharmisthaben A. Thakkar	-	-	-	-	4,025,000
	Loans & Advances Received Back					
	Ashokkumar R. Thakkar	-	-	1,046,849	-	-
	Dharmisthaben A. Thakkar	-	-	-	-	4,025,000
	Advance for Land					
	Dharmisthaben A. Thakkar (Incl JV)	56,675,415	261,487	33,614,185	1,000,000	50,000,000
	Advance for Land Received Back					
	Dharmisthaben A. Thakkar (Incl JV)	30,990,000	10,000,000	13,582,315	37,804,755	-
	Land Purchase					
	Dharmisthaben A. Thakkar (Incl JV)	78,004,500	-	-	-	-
	Compensation paid to Directors					
	Ashokkumar R. Thakkar	1,200,000	-	600,000	-	-
	Dharmisthaben A. Thakkar	300,000	-	-	-	-
	Interest Expense					
	Ashokkumar R. Thakkar	-	-	97,170	-	270,168
	Interest Income					
	Dharmisthaben A. Thakkar	-	-	-	-	100,257

Art Nirman Limited

B	Closing Balance Dr/(Cr)					
	For Loan Liability/Advance (including interest, if any)					
	Ashokkumar R. Thakkar (Loan)	(6,763,000)	(25,759,657)	(9,179,651)	-	(5,673,151)
	Ashokkumar R. Thakkar (Advance)	-	-	-	1,046,849	-
	Dharmisthaben A. Thakkar	-	23,578,833	33,317,346	13,285,476	50,090,231
	Payable for Land Purchase					
	Dharmisthaben A. Thakkar	(28,740,252)	-	-	-	-

4. Transaction with Relative of KMP cum Shareholders

(Amt in Rs.)

Sr. No	Nature of Transactions	Year ended				
		31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
		Rs.	Rs.	Rs.	Rs.	Rs.
A	Transaction During the Year					
	Loans & Advances Received					
	Ashokkumar R. Thakkar HUF	-	-	-	-	140,000
	Raghurambhai V. Thakkar	-	-	-	-	300,000
	Raghurambhai V. Thakkar HUF	-	-	-	-	60,000
	Jayaben R. Thakkar	-	-	-	-	245,000
	Loans & Advances Repaid Back					
	Ashokkumar R. Thakkar HUF	-	-	-	140,000	-
	Raghurambhai V. Thakkar	-	-	-	-	300,000
	Raghurambhai V. Thakkar HUF	-	-	-	60,000	-
	Jayaben R. Thakkar	-	-	-	-	255,219
	Interest Expense					
	Jayaben R. Thakkar	-	-	-	-	11,355
B	Closing Balance Dr/(Cr)					
	For Loan Liability/Advance (including interest, if any)					
	Ashokkumar R. Thakkar HUF	-	-	-	-	(140,000)
	Raghurambhai V. Thakkar HUF	-	-	-	-	(60,000)

ANNEXURE-X
CAPITALISATION STATEMENT

(Amt in Rs.)

Particulars	Pre-Issue	Post-Issue
	As on 31 March 2016	
	Rs.	
Debt		
Short Term Debt	115,009,902	115,009,902
Long Term Debt	21,418,406	21,418,406
Total Debt	136,428,308	136,428,308
Shareholders' Fund (Equity)		
Share Capital	40,000,000	76,040,000

Art Nirman Limited

Reserves & Surplus	5,045,626	55,105,626
Less: Miscellaneous Expenses not w/off	-	-
Total Shareholders' Fund (Equity)	45,045,626	131,145,626
Long Term Debt/Equity	0.48	0.16
Total Debt/Equity	3.03	1.04

1. The Company has made fresh allotment of 16,00,000 equity shares through preferential allotment on September 7, 2016 at the price of Rs. 25/- each, the effect of preferential allotment is given in post issue share capital and reserves & surplus.
2. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
3. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
4. Issue related expenses of Rs. 40 lacs approx has been deducted from Reserves & Surplus
5. The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 31.03.16

ANNEXURE-Y
MANDATORY ACCOUNTING RATIOS

Particulars	(Amt in Rs.)				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Face Value per equity Share(Rs.)	10	10	10	10	10
(i) Earnings/ (losses) Per Share (in Rs.) (Restated)					
- Basic and Diluted Earnings/ (losses) Per Share [a/b]	13.54	18.87	22.42	-18.58	10.63
(ii) Return on Net Worth (in %) [a/d]	10.46%	43.54%	91.62%	-905.78%	51.54%
(iii) Net Assets Value per Share (in Rs.) (Restated)					
- Net Assets Value per Share (in Rs.) [d/c]	11.26	43.35	24.48	2.05	20.63
(a) Net profit available for appropriation (as restated)	4,712,131	188,741	224,239	(185,823)	106,338
(b) Weighted average numbers of equity shares for calculating Basic and diluted EPS.	347,951	10,000	10,000	10,000	10,000
(c) No. of equity shares outstanding at the end of the year.	4,000,000	10,000	10,000	10,000	10,000
(d) Net Worth as at the end of the period/year (as restated)	45,045,626	433,495	244,754	20,515	206,338

Notes:-

1. The above ratios are calculated as under:	
a) Basic and Diluted Earning per Share =	$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$
b) Return on Net Worth(%) =	$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$
c) Net Asset Value Per Equity Share =	$\frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$
2. Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;	
3. Earnings Per Share (EPS) calculation are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.	
4. The figures disclosed above are based on the restated financial information of the Company.	

ANNEXURE – Z
STATEMENT OF TAX SHELTER

(Amt in Rs.)

Particulars	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
	Rs.	Rs.	Rs.	Rs.	Rs.
Tax Computation as per normal tax provisions					
Restated Profit before tax	7,227,326	6,583	472,799	(176,979)	163,195
MAT rate including surcharge	19.06%	19.06%	19.06%	19.06%	19.06%
Normal Tax rate including surcharge	30.90%	30.90%	30.90%	30.90%	30.90%
Normal Tax on above	2,233,244	2,034	146,095	(54,687)	50,427
Adjustments:					
Add : Disallowables / Exempt Incomes					
Interest on TDS	27,603	5,914	7,696	11,559	10,650
Depreciation as per Companies Act	985,756	832,407	240,569	132,384	13,022
Income Tax Paid	-	2,950	-	-	-
TDS Exps.	1,009	-	-	-	-
Interest on Income Tax	10,378	-	-	-	-
STCG as per Income Tax	-	-	-	32,278	-
Professional Tax (Unpaid) (Sec. 43B)	-	-	-	-	5,160
Gratuity (Unpaid) (Sec. 43B)	7,786	3,920	532	-	-
Donation debited in books of accounts	200,000	-	-	7,500	5,000
ROC Fees for increase in authorized share capital	-	-	-	-	-
Loss / (Gain) on sale of assets (as restated)	-	-	-	-	-
Loss / (Gain) on sale of Investments	-	-	-	-	-
Less : Allowables					
Depreciation as per Income Tax Act	(1,199,116)	(941,567)	(1,103,389)	(193,180)	(80,047)
Assets Written Back	-	-	-	-	-
Donation allowable as per Income Tax Act	-	-	-	-	-
Gratuity	-	-	-	-	-
Other Adjustments:					
Brought Forward Losses adjusted	(471,586)	-	-	-	-
Total Adjustments	(438,170)	(96,376)	(854,592)	(9,459)	(46,215)
Tax expense/(saving) thereon	(135,394)	(29,780)	(264,069)	(2,923)	(14,280)
Tax Payable as per Normal Provisions (A)	2,097,849	(27,746)	(117,974)	(57,609)	36,147
Tax Computation as per MAT provisions					
Restated Book Profit before tax	7,227,326	6,583	472,799	(176,979)	163,195
MAT Tax on Above	1,377,167	1,254	90,092	(33,723)	31,097
Add :					

Art Nirman Limited

Interest on TDS & Income Tax / TDS Exps.	38,990	8,864	7,696	11,559	10,650
<i>Less :</i>					
Total Adjustments	38,990	8,864	7,696	11,559	10,650
Tax expense/(saving) thereon	7,430	1,689	1,466	2,203	2,029
Tax Payable as per MAT Provisions (B)	1,384,597	2,943	91,558	(31,521)	33,126
Gross Tax Payable (w.e.i. higher)	2,097,849	2,943	91,558	-	36,147
Tax Liability (as per books)	2,066,950	110,000	-	-	41,200

ANNEXURE-AA
STATEMENT OF DIVIDEND DECLARED

(Amt in Rs.)

Particulars	For The Year Ended				
	31/03/16	31/03/15	31/03/14	31/03/13	31/03/12
Class of Shares					
Equity Share of Rs. 10 each	10	10	10	10	10
Rate of Dividend (%)					
Interim Dividend	Nil	Nil	Nil	Nil	Nil
Final Dividend	Nil	Nil	Nil	Nil	Nil

STATEMENT OF FINANCIAL INDEBTEDNESS

To,
The Board of Directors,
ART NIRMAN LTD.
14, Second Floor,
JBR Arcade,
Science City Road, Sola,
Ahmedabad 380 060
Gujarat – India.

Dear Sirs,

Brief details on the financial indebtedness of the “ART NIRMAN LTD.” (“the company”) as on 31st August, 2016 are as under:

Secured Borrowings
Vehicle Loans From Banks

(Amount in Rs. Lacs.)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
ICICI Bank Ltd.	Vehicle Loan	8.09	9.50%	Hypothecation of Vehicle financed	Repayable in 36 monthly installments starting from April 2016	Nil	7.08

Unsecured Borrowings
a. From Promoter Director

(Amount in Rs. Lacs.)

Name of Lender	Purpose	Rate of interest	Re-payment	Outstanding amount
Mr. Ashokkumar R. Thakkar	Business Loan	Nil	Not repayable within 1 year	524.13

b. From Group Company

(Amount in Rs. Lacs.)

Name of Lender	Purpose	Rate of interest	Re-payment	Outstanding amount
ART Club Pvt. Ltd.	Business Loan	Nil	Not repayable within 1 year	136.25

Except as disclosed above, we hereby confirm that there are no other Credit Facilities availed by the Company.

Above certificate is issued at the request of ‘ART NIRMAN LIMITED, Ahmedabad’, on the basis of necessary information / explanation / documentation / clarification / certification, produced for our verification.

For, SVK & ASSOCIATES
Chartered Accountants
FRN: 118564W

Shilpang V. Karia
Partner
M. No. 102114
Place: Ahmedabad
Date : 7th September, 2016

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

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 16 and "Forward Looking Statements" beginning on page 14 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the fiscal years ended March 31 2016, 2015, 2014, 2013 and 2012 including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of the Company" on page 158 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.

Overview

Our Company was originally incorporated as "**Vishnudhara Builders Private Limited**" on February 19, 2011 under the provisions of Companies Act, 1956 with Registrar of Companies, Gujrat, Dadra and Nagar Havelli vide registration no. 064107 (CIN: U45200GJ2011PTC064107). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on July 04, 2011 and fresh Certificate of Incorporation dated July 19, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli, the name of our Company was changed to "**Vishnudhara Buildcon Private Limited**". Later, vide Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on September 23, 2011 and a fresh Certificate of Incorporation dated October 08, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli the name of the Company was changed to "Art Nirman Private Limited". Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholder's Resolution passed at the Extra Ordinary General Meeting of the Company held on August 16, 2016 and the name of our Company was changed from "**Art Nirman Private Limited**" to "**Art Nirman Limited**" vide a fresh Certificate of Incorporation dated September 2, 2016 having CIN U45200GJ2011PLC064107 issued by the Registrar of Companies, Ahmedabad

Our Company was incorporated in the year 2011, with a vision to carry on the business of real estate development in and around the city of Ahmedabad, Gujarat. In 2013, we started construction of our first residential cum commercial project "Shri Vishnudhara Cross Road" in Ahmedabad, in Joint Development Agreement with our Director, Mrs. Dharmishtaben Thakker, owner of the project land. We successfully completed construction of "Shri Vishnudhara Cross Road" project in the year 2016, which consist of 5 towers containing total of 154 residential apartments of 2 and 3 BHK and 25 commercial shops, with a total built up area of 2,09,701 sq. ft. (aprox.) As on date of draft prospectus, we have successfully sold 129 residential flats and 21 commercial offices in our "Shri Vishnudhara Cross Road" project. Further, we've received bookings for 23 residential flats and 4 commercial flats from the Customers for the said project.

We also undertake work contracts for the development of residential & commercial projects. Currently, we have one ongoing work contract which has been undertaken from our Promoter Group firm M/s Dhara Developers, for carrying out activities such as plastering, tiles fitting, painting, electrical fitting, plumbing, doors and windows fitting, etc. in a residential cum commercial project, "Vishnudhara Homes" located in Ahmedabad. Further, we have received offer from our Group Companies for carrying out construction work in their forthcoming projects, which will be of building a hotel and a club under Contract. We are yet to consider their offers as the approved site plans, Contract terms and other details of the projects, has not been finalized by our Group Companies, till date.

Presently, we carry all the construction activities by subcontracting the project work to third party contractors.

Our Promoter, Mr. Ashokkumar Raghuram Thakker have been connected with real estate industry for more than a decade. Our Company is benefitted from their rich experience and expert in-sight of the industry.

Art Nirman Limited

Our total revenue (as restated) increased from Rs. 1.40 lacs in F.Y 2011-12 to Rs. 2563.76 lacs in F.Y. 2015-16 representing a CAGR of 349.31%. Our Profit after tax (as restated) increased from Rs. 1.06 lacs in F.Y. 2011-12 to Rs. 47.12 lacs in F.Y. 2015-16, representing a CAGR of 113.59%.

OUR LOCATION:-

Registered Office	14, JBR Arcade, 2 nd Floor, Near R.K. Royal Hall, Science City Main Road, Sola, Ahmedabad – 380-060, Gujarat. Tel No:- +91-8866404499 Website: www.artnirman.com Email: info@artnirman.com
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Our Projects:-

Sr No	Name of Projects	Status	Date / Expected Date of Completion
1	Shri Vishnudhara Cross Road	Completed	February 2016
2	Shri Vishnudhara Homes	Ongoing	November, 2016.

Salient Features of our Projects:-

Sr No	Name of Projects	Description
1	Shri Vishnudhara Cross Road	<p>“Shri Vishnudhara Cross Road” project was developed by us in collaboration, through a Joint Development Agreement, with our Director Mrs. Dharmishtaben Thakker, owner of the project land. The project comprises of five building blocks, with each block consisting of seven floors. There are total 154 residential units of 2BHK and 3 BHK of sizes from 1170 sq. ft. to 1530 sq. ft. (aprox.) and 25 Commercial Shops of 350 sq. ft. (aprox). The total developable area of the project is 2,09,701 sq. ft. (aprox). As on date of Draft Prospectus, we have successfully sold 129 residential flats and 21 commercial offices.</p> <p>The specification of the project includes vitrified tiles in entire terrace flooring area, granite kitchen platform, aluminium windows with anodize coated with standard accessories & stone frame, decorative main door, all internal flush doors with stone frames, ample electrical points with modular switches, designer railings in M.S., CPVC line for all water supplies, exterior double coat plaster etc.</p>
2	Shri Vishnudhara Homes	<p>Shri Vishnudhara Homes is being developed by our Promoter Group firm M/s Dhara Developers. We have received Works Contract in April'16 from M/s Dhara Developers for carrying out activities such as plastering, tiles fitting, painting, electrical fitting, plumbing, doors and windows fitting, etc. as per the approved plan and architect's design in this project. The project comprises of 7 building blocks with each block consisting of 7 floors. The project comprises of 238 residential apartments of 1BHK and 2BHK and 10 commercial shops. The work area of the building comprises of 1,89,565 sq. ft. (aprox) in which we have to carry above mentioned activities. We expect to complete the aforesaid work by November, 2016. .</p>

Our Competitive Strengths

We believe that the following are our primary competitive strength:

- **Good Knowledge of the market and regulatory environment in Ahmedabad**

Art Nirman Limited

We believe that we have good knowledge of the market and regulatory environment in Ahmedabad that assists us in identifying opportunities in this region. Our Completed and ongoing project are located in Ahmedabad, which we believe is an attractive real estate market in terms of returns on investment, product positioning and depth of demand for real estate developments. Ahmedabad's position as a small and medium business destination of India, the population of high-income customer base and an expanding segment of young, upwardly mobile professionals provides a substantial market for residential projects

➤ **Experienced management team**

Our Promoter, Mr. Ashokkumar Raghuram Thakkar is well experienced in the field of real estate development for over a decade. Besides, the management team consists of experienced Key Managerial Persons who oversee every aspect of project development for timely execution of the project. We believe that the experience of our management team and its in-depth understanding of the real estate market will enable us to continue to take advantage of both current and future market opportunities.

➤ **Focus on Quality Construction**

Currently, we subcontract construction and execution work related to projects to third party contractors. We outsource specialized work to entities, which have the required expertise in specialized project execution. This allows our Company to ensure quality construction. Our Management reviews the functions of contractors. Further, we focus on completing our projects efficiently and effectively within the stipulated time period.

Our Business Strategy

➤ **To focus on Quality Projects and on timely project schedule delivery.**

Our one of the significant business strategy is to undertake quality projects and ensuring timely project execution thereby maximizing customer satisfaction. We believe that this strategy can help strengthen our ability to engage in complex projects in future.

➤ **Building and Strengthening Execution Capabilities**

Currently, we sub-contract specific construction and execution work related to projects to third party contractors. We intend to focus on strengthening our own infrastructure and build in-house project execution capabilities. This will help us in increasing our margins in long run.

➤ **Enhancing Operating Effectiveness and Efficiency**

Our Company aims to continue to improve our operational effectiveness and efficiencies to achieve cost reductions including overheads. We believe that this can be done through continuous project review and timely corrective measures in case of diversion and technology upgradation.

➤ **To render high quality of services to our Customers.**

Our one of the significant business strategy is to focus on adhering to the quality standards of the service and timely project execution thereby maximizing customer satisfaction. This will also aid us in enhancing our brand image and build a strong customer base.

➤ **To Build up a Professional Organization**

As an organization, we believe in transparency and commitment in our work and with our customers. Although we have an experienced team, we also consult with external agencies on a case to case basis on technical and financial aspects of our business. We will consistently put efforts among our group of employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

Sales and Marketing:-

Our Company adopts direct and indirect marketing approach. In past, we have used various advertisement channels such as advertisement on Radio Channels, Newspapers and Placement of Hoardings to promote and market our project “Shri Vishnudhara Cross Road”. We also take paid services of popular real estate websites for promoting our project. Our marketing is under the control of our Managing Director and is supported by other Key Management Personnel. We maintain a database consisting of our existing customers, referrals and leads that we have generated through various advertising and awareness campaigns.

Competition:-

The real estate market is highly competitive and fragmented, and we face competition from various domestic real estate developers. Some of our competitors have greater financial, marketing, sales and other resources than we do. However, we expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors. On regional basis, some of our major competitors in real estate sector in Ahmedabad includes Godrej Properties Ltd., Ajmera Realty & Infra (I) Ltd., Pacifica Companies, Goyal & Co Construction Pvt. Ltd.

SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR:-

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. Our company was converted from Private Limited to Public Limited Company vide shareholder resolution passed at the Extra Ordinary General Meeting dated August 16, 2016 and received a fresh Certificate of Incorporation dated September 02, 2016 upon conversion to Public Limited Company.
2. Our Company has made preferential allotment of 16,00,000 Equity Shares to its promoter vide shareholders resolution dated September 07, 2016.
3. We have passed a special resolution in shareholders meeting dated September 07, 2016 authorizing the Board of Directors to raise funds by making an Initial Public Offering up to Rs 7 crores.
4. We have changed the designation of Mr. Ashokkumar Raghuram Thakker from Director to Chairman and Managing Director in shareholders meeting dated September 07, 2016 for a period of five years.
5. We have appointed Mr. Krunal Kiritkumar Mistry as Additional Non executive Director in Board Meeting dated August 04, 2016. He was regularized as Independent Non executive director in Annual General Meeting dated September 07, 2016.
6. We have appointed Mr. Viral Dipak Ranpura as Additional Independent Non executive Director in Board Meeting dated September 03, 2016. He was regularized as Independent Non executive director in Annual General Meeting dated September 07, 2016.
7. We have appointed Mr. Kirtar Satubhai Munshi as Chief Financial Officer in Board Meeting dated September 03, 2016
8. We have appointed Ms. Ziral Pankaj Kumar Soni as Company Secretary & Compliance Officer in Board Meeting dated September 03, 2016
9. Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated September 07, 2016, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of the Company’s Equity shares on SME platform of NSE (“NSE EMERGE”).

10. Our Company has formed the Stakeholders Relationship Committee vide Board Resolution dated September 07, 2016.

11. Our Company has formed the Nomination and Remuneration Committee vide Board Resolution dated September 07, 2016.

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-

Our results of operations could potentially be affected by the following factors amongst others:

1. Our failure to keep pace with rapid changes in Real Estate Sector;
2. Disruption in our Construction business.
3. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
4. Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this issue;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
7. Changes in laws and regulations relating to the industries in which we operate;
8. Recession in the real estate market;
9. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
10. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
11. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
12. Any adverse outcome in the legal proceedings in which we are involved;
13. Concentration of ownership among our Promoters.
14. The performance of the financial markets in India and globally;
15. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
16. Inability to successfully obtain registrations in a timely manner or at all;
17. Our ability to attract, retain and manage qualified personnel;
18. Disruption in supply of Raw Materials at our projects sites;
19. Effect of lack of infrastructure facilities on our business;
20. Occurrence of Environmental Problems & Uninsured Losses;
21. Our ability to meet our capital expenditure requirements;
22. The timely completion of the Company's projects;
23. Conflicts of interest with affiliated companies, the promoter group and other related parties;
24. Our ability to expand our geographical area of operation;

Our Significant Accounting Policies:

Our significant accounting policies are described in the section entitled "Financial Information of the Company" on page 158 of this Draft Prospectus.

Change in accounting policies in previous 3 (three) years

Except as mentioned in chapter "Financial Information of the Company" on page 158, there has been no change in accounting policies in last 3 (three) years.

Summary of the Results of Operations

The following table sets forth financial data from restated profit and loss account for the financial Year ended on March 31 2016, 2015, 2014, 2013 and 2012 the components of which are also expressed as a percentage of total income for such periods.

Art Nirman Limited

Particulars (For the Year ended)	31st March 2016	% of Total Income	31st March 2015	% of Total Income	31st March 2014	% of Total Income	31st March 2013	% of Total Income	31st March 2012	% of Total Income
Revenue from Sale of Services	254,425,611	99.24	-	-	-	-	-	-	-	-
Other Operating Income	1,781,877	0.70	-	-	-	-	10,000	46.91	1,5000	10.71
Other Income	168,639	0.07	77,819	100.00	52,367	100.00	11,316	53.09	125,037	89.29
Total Revenue (A)	256,376,127	100.00	77,819	100.00	52,367	100.00	21,316	100.00	140,037	100.00
Expenditure:-										
Cost of Acquisition of Development Rights of Land	78,004,500	30.43	-	-	-	-	-	-	-	-
Cost of Raw Materials Consumed	42,863,086	16.72	63,482,953	81,577.70	41,966,111	80,138.47	-	-	-	-
Project Direct Operating Cost	39,911,816	15.57	34,985,964	44,958.13	17,751,448	33,898.16	922,133	4,326.01	2,354,304	1,681.20
Project Indirect Operating Cost	30,544,330	11.91	9,129,870	11,732.19	3,682,983	7,033.02	401,881	1,885.35	1,458,039	1,041.18
Changes in Inventories of finished goods, WIP and Stock in trade	45,607,346	17.79	(120,957,065)	(155,433.85)	(67,667,530)	(129,217.89)	(2,332,034)	(10,940.30)	(4,954,170)	(3,537.76)
Employee benefit expense	5,039,453	1.97	2,449,845	3,148.13	1,531,512	2,924.57	885,660	4,154.91	550,775	393.31
Other expense	1,618,007	0.63	1,266,095	1,626.97	1,163,259	2,221.36	115,660	542.60	5,000	3.57
Total Expenses	243,588,538	95.01	(9,642,338)	(12,390.72)	(1,572,217)	(3,002.31)	(6,700)	(31.43)	(586,052)	(418.50)
Earnings Before Interest, Taxes, Depreciation & Amortisation	12,787,589	4.99	9,720,157	12,490.72	1,624,584	3,102.31	28,016	131.43	726,089	518.50
Finance Costs	4,574,507	1.78	8,881,167	11,412.59	911,216	1,740.06	72,611	340.64	549,872	392.66
Depreciation and amortization Cost	985,756	0.38	832,407	1,069.67	240,569	459.39	132,384	621.05	13,022	9.30
Profit before Tax	7,227,326	2.82	6,583	8.46	472,799	902.86	(176,979)	830.27	163,195	116.54
- Current Tax	2,097,849	0.82	2,943	3.78	91,558	174.84	-	-	36,147	25.81
Tax adjustments of prior years	107,057	0.04	(91,558)	(117.66)	11,448	21.86	-	-	-	-
Deferred Tax Liability/(Asset)	310,289	0.12	(93,544)	(120.21)	145,554	277.95	8,843	41.49	20,710	14.79

Art Nirman Limited

Restated profit after tax from continuing operations	4,712,131	1.84	188,741	242.54	224,239	428.21	(185,823)	(871.75)	106,338	75.94
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Key Components of Company's Profit And Loss Statement

Revenue from Sale of Service: Revenue from sale of services mainly consists of income derived from sale of residential and commercial units of our Shri Vishnudhara Cross Road Project.

Other Operating Income: Revenue from Other Operating Income is derived from Work Contracts and cancellation charges.

Other Income: Other income primarily comprises of Interest Received, Discount Received, Sale from Scrap Items.

Expenses: Company's expenses consist of cost of acquisition of development rights of land, material consumed, Project Direct and Indirect Operating Cost, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

Change in inventories of finished Goods, WIP and Stock-in-Trade:- It includes Construction Work In Progress

Employee Benefits Expense: Employee benefit expense includes Salaries and Wages, Provision for Gratuity and Staff Welfare Expenses.

Finance Costs: Finance cost comprises interest on Indebtedness, Bank Charges and other borrowing cost.

Depreciation and Amortization Expense: We recognize Depreciation and Amortization expense on a as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

Other Expenses: Other expenses include Commission Expenses, Sales Promotion Expenses, Rates and Taxes, Conveyance, Tour and Travelling Expenses, Auditor's remuneration, Legal and Professional Expenses, Software Development Charges nad General Administrative Expenses.

Financial Performance Highlights for the year ended 31st March, 2016

Total Income:

The company's total income during the year ended March 31, 2016 was Rs 256,376,127. The revenue from Sale of Service was Rs 254,425,611 which comprised 99.24 % of company's total income for the year ended March 31, 2016.

Art Nirman Limited

Total Expenses:

The total expenditure during the year ended March 31, 2016 was Rs 243,588,538. The total expenditure represents 95.01% of the total revenue. The total expenses are represented by Cost of Acquisition of Development Rights of land, Cost of material consumed, Project Direct and Indirect Operating Cost, Employee Benefits Expense, Finance Costs, Depreciation and Amortization Expense and Other Expenses. The main constituents of total expenditure are Cost of Material Consumed, which is Rs 42,863,086, Project Direct Operating Cost and Project Indirect Cost which are Rs 39,911,816 and 30,544,330 respectively.

Profit/ (Loss) after tax:

The restated net profit during the year ended March 31, 2016 was Rs 4,712,131 representing 1.84% of the total revenue of the Company.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015

Total Income:

During the year 2015-16 the total revenue of the company increased to Rs 256,376,127 as against Rs 77,819 in the year 2014-15, representing an increase of 329351.84% of the total revenue. This increase was mainly due to sale of units of our Shri Vishnudhara Cross Road project.

Other Income:

Other income of the Company for the year 2015-16 was Rs 168,639 in comparison with Rs 77,819 for F.Y. 2014-15.

Total Expenses:

The total expenditure for the year 2015-16 was Rs 243,588,538 and Rs (9,642,338) in year 2014-15

Cost of Material Consumed

The Cost of Material Consumed for the year 2015-16 decreased to Rs 42,863,086 from Rs 63,482,953 representing a decrease of 32.48% to the previous year.

Employee Benefits Expense:

The Employee Benefit Expense comprises of salaries and wages, staff welfare expenses and director's remuneration. The said expenses increased to Rs 5,039,453 during the F.Y. 2015-16 from Rs 2,449,845 in the previous year 2014-15.

Finance Costs:

Finance cost for the year 2015-16 decreased to Rs 4,574,507 as against Rs 8,881,167 of the year 2014-15. This decrease in amount was due to repayment of borrowings of the Company.

Depreciation and Amortization Expense:

Depreciation for the year 2015-16 stood at Rs 985,756 calculated at as per companies Act 2013. For the year 2014-15 the same was Rs 832,407.

Other Expenses:

Other expenses include TDS Commission Expenses, Sales Promotion Expenses, Rates and Taxes, Conveyance, Tour and Travelling Expenses, Auditor's remuneration, Legal and Professional Expenses, Software Development Charges and General Administrative Expenses. These expenses were for the year 2015-16 increased to Rs 1,618,007 as against Rs 1,266,095 of the year 2014-15.

Art Nirman Limited

Profit/ (Loss) Before Tax

The company's profit before tax for F.Y. 2015-16 increased to Rs 7,227,326 from Rs 6,583 in the year 2014-15 representing an increase of 109687.73% to the previous year.

Profit/ (Loss) After Tax

For the year 2015-16 the profit stood at Rs 4,712,131 as against the profit of Rs 188,741 for the year 2014-15, representing an increase of 2396.61% to the previous year.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014

Total Income:

During the F.Y. 2014-15 the total income of the Company increased to Rs 77,819 as against previous financial year 2013-14 of Rs 52,367 representing an increase of 48.60%. This increase was mainly due to increase in other income.

Total Expenses:

Total expenditure for the F.Y. 2014-15 was Rs (9,642,338) and Rs (1,572,217) in FY 2013-14

Employee benefits expense:

Employee benefits expense increased to Rs 2,449,845 in the year F.Y 2014-15 from Rs 1,531,512 in FY 2013-14.

Finance Costs:

Finance costs increased to Rs 8,881,167 in F.Y 2014-15 as compared to F.Y 2013-14 in which it was Rs 911,216

Depreciation and amortization expense:

Depreciation and amortization expense increased in FY 2014-15 to Rs 832,407 from Rs 240,569 compared to previous year FY 2013-14.

Other expenses:

Other expenses for the F.Y 2014-15 increased to Rs 1,266,095 whereas it was Rs 1,163,259 in previous F.Y. 2013-14.

Net Profit before tax:

Net Profit before tax for the F.Y 2014-15 decreased to Rs 6,583 as against Rs 472,799 of the previous year 2013-14. The decrease in profit was 98.61% to the previous year.

Profit after tax:

The Restated profit after tax for the F.Y 2014-15 decreased to Rs 188,741 as against Rs 224,239 in the previous year 2013-14, which is a decrease of 15.83%.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2014 WITH FISCAL 2013

Total Income:

Art Nirman Limited

During the F.Y. 2013-14 the total income of the Company increased to Rs 52,367 as against previous F.Y. 2012-13 of Rs 21,316 representing an increase of 145.67%. This increase was mainly due to increase in other income.

Total Expenses:

Total expenditure for the F.Y. 2013-14 was Rs (1,572,217) and Rs (6,700) in FY 2012-13.

Employee benefits expense:

Employee benefits expense increased to Rs 1,531,512 in the year F.Y 2013-14 from Rs 885,660 in the previous year 2012-13.

Finance Costs:

Finance costs increased to Rs 911,216 in F.Y 2013-14 as compared to F.Y 2012-13 in which it was Rs 72,611

Depreciation and amortization expense:

Depreciation and amortization expense increased in FY 2013-14 to Rs 240,569 whereas it was Rs 132,384 for the previous year FY 2012-13.

Other expenses:

Other expenses for the F.Y 2013-14 increased to Rs 1,163,259 whereas it was Rs 115,660 in previous F.Y. 2012-13.

Net Profit before tax:

Net Profit before tax for the F.Y 2013-14 increased to Rs 472,799 as against Rs (176,979) of the previous year 2012-13. The increase in profit was 367.15%.

Profit after tax:

The Restated profit after tax for the F.Y 2013-14 increased to Rs 224,239 as against profit of Rs (185,823) in the previous year 2012-13, which is an increase of 220.67%.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2013 WITH FISCAL 2012

Total Income:

During the F.Y. 2012-13 the total income of the Company decreased to Rs 21,136 as against previous F.Y. 2011-12 of Rs 140,037 representing a decrease of 84.91%. This decrease was mainly due to decrease in other income.

Total Expenses:

Total expenditure for the F.Y. 2012-13 was Rs (6,700) and Rs (586,052) in FY 2011-12.

Employee benefits expense:

Employee benefits expense increased to Rs 885,660 in the year F.Y 2012-13, whereas it was Rs 550,775 in the previous year 2011-12.

Finance Costs:

Finance costs decreased to Rs 72,611, whereas it was Rs 549,872 in the previous year 2011-12.

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Depreciation and amortization expense:

Depreciation and amortization expense increased to Rs 132,384 for the FY 12-13 as compared to Rs 13,022 in previous year FY 2011-12.

Other expenses:

Other expenses for the F.Y 2012-13 increased to Rs 115,660 whereas it was Rs 5,000 in previous F.Y. 2011-12.

Net Profit before tax:

Net Profit before tax for the F.Y 2012-13 decreased to Rs (176,979) from Rs 163,195 for the previous year FY 2011-12. The decrease in profit was 208.45% to the previous year.

Profit after tax:

The Restated profit after tax for the F.Y 2012-13 decreased to Rs (185,823) from Rs 106,338 in the previous year FY 2011-12. The decrease in profit was 274.75% to the previous year

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:

1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

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

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

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

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 16 of the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company's future costs and revenues will be determined by demand/supply situation in real estate sector, government policies and prices quoted by our suppliers and contractors.

5. Total turnover of each major industry segment in which our Company operates

The Company is in the business of the construction of residential projects. Relevant industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page 93 of this Draft Prospectus.

6. Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of our business.

7. Status of any publicly announced New Project or Business Segment

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As on date, Our Company has not announced any new Business Segment.

8. *Seasonality of business*

Our Company's business is not seasonal in nature.

9. *Dependence on few customers/ clients*

As on date of Draft Prospectus, Our Company has not been dependent on few customers/clients.

10. *Competitive conditions*

Competitive conditions are as described under the Chapters "Industry Overview" and "Our Business" beginning on page 93 and 108 respectively of the Draft Prospectus.

11. *Details of material developments after the date of last balance sheet i.e. March 31st, 2016*

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the 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. Significant developments since the last audited balance sheet as on March 31st, 2016 till the date of the Draft Prospectus is as follows:-

Our Company has made preferential allotment for other than cash for 16,00,000 Shares vide Annual General meeting dated September 07, 2016, for further details of the same, please see chapter Titled "Capital Structure" beginning on page 52 of this Draft Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this Draft Prospectus, there are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or civil offences or litigation for tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors or our Promoters or our Group Companies or our Subsidiary Company as on the date of this Draft Prospectus that would have a material adverse effect on our business and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters or Directors or our Group Companies or our Subsidiary Company and no legal action has been pending or taken by Ministry or Department of the Government or a statutory authority against our Promoters during the last five years immediately preceding the year of the issue of this Draft Prospectus. Further, except as stated in this Draft Prospectus, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors or Group Companies or our Subsidiary by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company.

Neither our Company nor its Promoters, members of the Promoter Group, Group Companies, our Subsidiary, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI(ICDR) Regulations,2009 as amended for creditors where outstanding due to any one of them exceeds 5% of the consolidated Trade Payables- For Goods & Expenses as per the Restated financial statements.

Further, Our Company has a policy for identification of Material Litigation in terms of the SEBI (ICDR) Regulations,2009 as amended for disclosure of all pending litigation involving the Issuer, its directors, promoters and group companies, other than criminal proceedings, statutory or regulatory actions and taxation matters where the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 1% of the profit after tax of our Company as per the last audited financial statements and such pending cases are material from the perspective of the business, operations, prospects or reputation.

PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

NIL

PART 2: LITIGATION RELATING TO OUR COMPANY

A. CASES FILED AGAINST OUR COMPANY

1. Litigation involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liability

(i) Direct Tax

S. No.	Type of Direct Tax	No. of Cases	Amount in dispute (in Rs.)
1.	TDS Defaults	1	90,166

a. TDS Cases

On the TRACES (TDS Reconciliation Analysis and Correction Enabling System) website of Income Tax for TDS, there is default in payment of TDS by the Company for the F.Y. 2015-16 of Rs. 90,166, The said default on the said website is on account for Short Deduction of Rs. 81,941, Interest on Payments on default under Section 201 of Rs. 5,114 and Interest on deduction default under Section 201 of Rs. 3,111.

(ii) Indirect Tax

NIL

4. Other Pending Litigation

NIL

B. CASES FILED BY OUR COMPANY
1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability
(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4) Other Pending Litigation

NIL

PART 3: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY
A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS
1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4) Other Pending Litigations

CIVIL CASES:

1. Naynaben Sureshbhai Patel & ors.V/s Dharmishtaben d/o Ambalal Bhuralal (defendant no. 28), Ramsang Dhulaji Thakore (defendant no. 1) through legal heirs & ors.

A Civil Suit No. 243/2013 was filed for Rs. 1,97,79,200 in the Court of Principal Senior Civil Judge at Ahmedabad (Rural) by Nayanaben Sureshbhai Patel and Kantibhai Babarbhahi Patel for Specific Performance, Document for release of right-entitlement, Cancellation of Agreement for Sale and Sale deed, Declaration and for procuring grant of permanent injunction. As per the plaint, the plaintiffs had entered into an Agreement to Sell with defendants Dharmishthaben Patel and ors. For sale of an agricultural land bearing no. 279 admeasuring 0-62-73 sq. mtr, situated at Village Tragad, District Ahmedabad. As per the plaint, the land had originally belonged to defendants 1-25. The said defendants entered into a partition deed whereby they gave the rights of his land to defendant no. 1. The defendants no. 1 and legal heirs viz defendant no 1/1 to 1/7 and 2-25 agreed to sell the land in favour of plaintiffs and accepted the legal consideration of Rs. 17,21,000 and executed an Agreement to sell in their favour. It is further claimed by the plaintiffs that defendant no. 1 to 18 and defendant no. 20 to 25 had in connivance of one another, conspired and executed illegal deeds, writings and documents which harm rights and entitlements of Plaintiffs and land was transferred in the name of defendant no. 19. Where after, an agreement to sell was executed in favour of defendant no. 26 and 27. Subsequently, on 13/09/2012 Defendant no. 19 along with defendant no.26 & 27 executed counterfeit and fake Sale Deed in favour of Defendant no. 28 Therefore, the plaintiffs have filed this present Special Civil Suit No. 243/2013 for Rs. 1,97,79,200 before the Principal Senior Civil Judge, Ahmedabad (Rural) for specific performance and possession of land. The matter is pending before the Court for disposal.

2. Shankarbhaji Manibhai Patel & Anr. vs. Dharmishtaben d/o Abalal Bhuralal (defendant no. 10) Himatlal Keshavlal (defendant no. 1) & ors.

A Special Civil Suit No. 331/2010 is filed before the Principal Senior Civil Judge of Ahmedabad (Rural) for Rs. 26,00,300 for the purpose of getting decretal order of Specific Performance of contract as well as revoking document and availing injunction order against 13 defendants including Dharmishthaben, Director of the Company by Shankarbhaji Manibhai Patel and Aashish Shankarbhaji Patel. As per the plaint, the defendants agreed to sell an agricultural land bearing Block/Survey no. 353 admeasuring 0-78-91sq.mtrs situated at District Sub-District Ahmedabad 5(Narol) Dascroi Taluka, Village Aslali, to the plaintiffs for a consideration of Rs. 14,00,000 on 23.07.2009. The plaintiffs also gave Rs. 77,000 towards advance payment of

sale consideration. After the agreement to sell, defendant no. 1-4 executed one affidavit for mutation in revenue records. However, defendant no. 1-4, without knowledge to plaintiffs, executed registered sale deed in favor of Dharmishthaben and others, named as defendants no 10-13 and gave the papers of the land to defendant no. 10-13. The Plaintiffs have prayed for the Specific performance of the contract (agreement to sell dated 23.07.2009), quashing the sale deed executed and registered in favour of defendants no 10-13. The matter is sub-judice before the Court.

3. Laxmiben Vaghjibhai Gandaji & ors. vs. Melaji Gandaji & ors including Mr. Ashokkumar Raghurambhai Thakkar (Our Director)

Special Civil Suit No. 247/2015 was filed before the Principal Senior Civil Judge, Ahmedabad (Rural) as a counter suit to SCS no.158/2015 filed by Mr. Ashokkumar Raghurambhai Thakkar (Our Director). In the said suit, 5 Plaintiffs, including Mrs. Laxmiben Vaghjibhai Gandaji have contended that the plaintiffs and defendant no 1-4 had jointly inherited the ownership rights over agricultural land bearing survey no.594/1 admeasuring 8351sq.mtrs situated at mouje Vatva, Taluka: Ahmedabad City East, District Ahmedabad after the death of original owner Late Gandaji Devaji who died on 06/06/1994. The said property was under condition of prohibited authority type under section 43 of Tenancy Act. A sale deed dated 08/04/2011 was executed in favour of defendant no 5 and registered before the Sub Registrar vide serial no.4878 which was contrary to the provisions of the Tenancy Act. The defendant no. 5 further entered into an agreement to sell in favour of defendant no. 6, knowledge of which the plaintiffs got only when notice of SCS no.158/2015 filed by Mr. Ashokkumar Raghurambhai Thakkar was received by them. Accordingly, they filed the present suit for the grant of injunction against the defendants from the selling of the land. Since it is a suit for declaration and injunction only, suit amount is undetermined. The matter is sub-judice before the Court.

B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4) Other Pending Litigation

Civil Cases:

1. Ashokkumar Raghurambhai Thakkar vs. Rajendrabhai Khodidas Patel (Defendant no. 1) & ors

A Civil Suit No. 158/2015 was filed for Rs. 11,67,516 by Ashokkumar Raghurambhai Thakkar, Director of the Company before the Principal Senior Civil Judge, Ahmedabad(Rural) against Rajendrabhai Khodidas Patel and 9 other defendants. As per

the plaintiff, defendant no. 1 Rajendrabhai Khodidas agreed to sell on 21/06/2011, an agricultural land bearing Block/Survey No. 594/1 admeasuring hector 0-71-33 sq. mtrs, situated in district of Ahmedabad to Ashokkumar for a consideration of Rs. 3,11,67,216. The defendant no.1 had acquired the property from Mr. Melaji Gandaji (defendant no.2) who had in turn acquired the property from Late Gandaji Devaji under a Will. Ashokkumar had paid Rs. 50,00,000 (Rs. 25,00,000 in cash on 23/06/2011 and Rs. 25,00,000 through cheque on 07/07/2011) to defendant no.2 towards consideration of suit land property. But the Defendant No. 1, himself had not yet received the title clearance. Later on, upon submission of defendant no.1, the Plaintiff paid Rs. 40,00,000 to defendant no.2 by way of cheque of Aman Corporation Firm towards the suit land property. The names of defendant no.3 to 10 were entered in revenue records as successors of Late Gandaji Devaji. Since, the price of the land had increased considerably, the Defendant No. 1, Rajendra bhai wished to cancel the agreement to sell executed with the Plaintiff. Therefore, the present suit was filed seeking grant of stay against the defendants from selling of this land further and also praying for transfer of title in favour of the plaintiff. The matter is pending in the Court for disposal.

2. Dharmishthaben and Ashokkumar Raghurambhai Thakkar vs. Bhikaji Dhulaji Thakore&6 ors.

A Special Civil Suit No. 91/2015 was filed by Dharmishthaben and Ashokkumar Raghurambhai Thakkar, both Directors of the Company against Bhikaji Dhulaji Thakore & ors. before Principal Senior Civil Judge, Ahmedabad(Rural) for Rs.1,37,93,770 for the purpose of special performance of contract, declaration and getting injunction order. In the suit, it is claimed that the Plaintiffs entered into a sale transaction to buy an agricultural land bearing survey no. 642/2 admeasuring hector 0-78-91 sq. mtrs, situated within district Ahmedabad, belonging to Bhikaji and Dasrathji Dhulaji Thakor (defendant no 1 and 2). Earlier the defendants no. 1 and 2 had agreed to sell the land to Halimaben (defendant no. 3) but the sale deed was not executed. Later, defendant no. 3, with the consent of defendant no. 1 and 2 agreed to sell the said land to the Plaintiffs. The sale price was determined at Rs. 47,18,820 out of which Plaintiffs had paid Rs. 39,45,500 as sale consideration to defendant no. 1 and 2 and Rs. 33,00,000 were paid to defendant no. 3 for cancellation and towards part payment of premium paid to the Government for converting the land into a saleable property. In the meanwhile, the Plaintiffs came to know that Defendant No. 1 and 2 in connivance with Defendant No. 5-7 for the purpose of defeating legal rights and entitlements of Plaintiffs and for the purpose of grabbing illegal money appointed defendant no. 6 as their power of attorney and executed sale deed in favour of Defendant No. 5-7. Therefore, the title did not get transferred to the original buyers, the Plaintiffs. The Plaintiffs have contended that the title which is transferred to Defendant no.5 to 7 is defective and belongs to the Plaintiffs and it cannot be transferred. The matter is sub-judice before the Court.

PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES

A. LITIGATION AGAINST OUR GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability

(i) Direct Tax Liabilities

NIL

(iii) Indirect Taxes Liabilities

NIL

4) Other Pending Litigations

NIL

B. LITIGATION BY OUR GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4) Other Pending Litigations

NIL

PART 5: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

The Board of Directors of our Company considers dues exceeding, 5% of our Company's consolidate Trade Payables - for Goods & Expenses as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company. As on March 31, 2016, there are 2 creditors to each of whom our Company owes amounts exceeding 5% of our Company's consolidate Trade Payables - for Goods & Expenses and the aggregate outstanding dues to them being approximately Rs. 37,96,038 (Rupees Thirty Seven Lakhs Ninety Six Thousand Thirty Eight). Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Therefore, as on March 31, 2016, our Company owes amounts aggregating to Rs. 90,89,906/- (Rupees Ninety Lakhs Eighty Nine Thousand Nine Hundred and Six only) approximately towards 38 creditors for Trade Payables - for Goods & Expenses as per Restated financial statements, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: www.artnirman.com

PART 6: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on page 203, there have been no material developments that have occurred after the Last Balance Sheet Date.

WE CERTIFY THAT EXCEPT AS STATED HEREIN ABOVE:

- a. There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the promoters/ directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the promoters / Directors in their personal capacity.

The Company, its promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. 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 carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

A. APPROVALS FOR THE ISSUE

Sl. No.	Name of the Approvals
1.	Our Company has received approval from the SME Platform of NSE dated [●] for using the name of the Exchange in its offer document for listing of Equity Shares on SME platform.
2.	Our Board of Directors have, pursuant to a resolution passed at its meeting held on September 03, 2016 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.
3.	The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting of shareholders held on September 07, 2016
4.	A copy of resolution passed at the meeting of Board of Directors held on September 08, 2016 for approving Draft Prospectus and [●] Approving Prospectus.

B. APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS

S. No	Nature of Registration/ License	Registration/Lic nse No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
Constitutional Registration						
1.	Certificate of Incorporation	CIN : U45200GJ2011PT C064107	Companies Act, 1956	Registrar of Companies, Gujarat, Dadra and Nagar Havelli	February 19, 2011	Valid till cancelled
2.	Fresh certificate of Incorporation consequent on Change of Name from Vishnudhara Buildcon Private Limited to Vishnudhara Builders Private Limited	CIN : U45200GJ2011PT C064107	Companies Act, 1956	Registrar of Companies, Gujarat, Dadra and Nagar Havelli	July 19, 2011	Valid till cancelled
3.	Fresh certificate of Incorporation consequent on Change of Name from Vishnudhara Builders Private Limited to Art Nirman Private Limited	CIN : U45200GJ2011PT C064107	Companies Act, 1956	Registrar of Companies, Gujarat, Dadra and Nagar Havelli	October 8, 2011	Valid till cancelled
4.	Fresh Certificate of	CIN :	Companies Act,	Registrar of	September	Valid till

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	Incorporation consequent upon conversion of company and change of name	U45200GJ2011PL C064107	2013	Companies, Ahmedabad	02, 2016	cancelled
Taxation Related Registrations						
S. No	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	PAN No. (Permanent Account Number)	AADCV5658D	Income Tax Act, 1961	Commissioner of Income Tax	February 19, 2011	Perpetual
2.	TAN (Taxpayers Account Number)	AHMOV04384C	Income Tax Act, 1961	Income Tax Department	May 04, 2012	Perpetual
3.	Gujarat VAT Registration Number	24074302561	Gujarat VAT Act, 2003	Government of Gujarat Commercial Taxes Department	June 21, 2012	Perpetual
4.	Registration of Service Tax	AADCV5658DSD 001	Finance Act, 1994	Central Excise Officer, Ministry of Finance-Department of Revenue	May 09, 2012	Perpetual
5.	Certificate of Enrolment under Gujarat State Tax on Profession Trade & calling Employment Act 1976	PEC016622001	Gujarat State Tax & on Profession Trades & calling Employment Act, 1976	Ahmedabad Municipal Corporation	August 13, 2014	Perpetual
6.	Registration Certificate of Establishment	PII/SOLG/2900003 /0141918 (Sologam)	Bombay Shops and Establishments Act, 1948	Amdavad Municipal Corporation	September 03, 2016	December 31, 2016
Industrial and Labour Approvals						
1.	Registration for Employees' State Insurance	370010849600010 09 No. of Employees - 18	Employees' State Insurance Act, 1948	Employee State Insurance Corporation	September 06, 2016	Perpetual
Project Related Approvals (Shri Vishnudhara Cross Road Project)						
S. No	Nature of Registration/ License	Registration/License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Building Permit (Commencement Letter)	For Block A+B+C Case No. – BLNTI/NWZ/050913/GDR/A0351/R1/M1 Rajachithi No. 01726/050913/A0351/R1/M1 For Block D+E Case No. – BLNTS/NWZ/050913/GDR/A0352/R1/M1 Rajachithi No. 01727/050913/A0352/R1M1	Gujarat Town Planning & Urban Development Act, 1976	Ahmedabad Municipal Corporation	July 22, 2014	-
2.	No Objection Certificate for Height from Airports Authority of India	NOC ID: AHME/WEST/B/062014/42622	The Airports Authority of India, 1994	Airports Authority of India	August 04, 2014	-

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		Approved height: 155.64Mtrs				
3.	Building Use (BU) Permission – Block A,B and C	30/NWZ/290116/1 169	Bombay Provincial Municipal Corporations Act, 1949	Ahmedabad Municipal Corporation	February 01, 2016	-
4.	Building Use (BU) Permission – Block D and E	30/NWZ/290116/1 170	Bombay Provincial Municipal Corporations Act, 1949	Ahmedabad Municipal Corporation	February 01, 2016	-

APPROVALS OF THE COMPANY PENDING TO BE APPLIED:-

Contract Labour (Regulation and Abolition) Act, 1970 – We are yet to apply for registration under Contract Labour (Regulation and Abolition) Act, 1970.

Intellectual Property:

Details of the trademark used by us are:-

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark	Owner	Application No. & Date	Remarks
1.	Trademark	37	 ART Nirman Ltd. <i>Crafting Comfort.</i>	Art Nirman Private Limited	Temporary Application No. 1051961	Applied for registration.
2.	Trademark	36	 ART Nirman Pvt. Ltd. <i>Crafting Comfort.</i>	Art Nirman Private Limited	3347536 (Date: 26-08-2016)	Applied for registration. Status: "Formalities Check Pass"

The Details of Domain Name registered on the name of the Company is:-

S.No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Creation Date	Registration Expiry Date
1.	www.artnirman.com Domain ID - 1679766209_DOMAIN_COM-VRSN	GoDaddy.com, LLC (IANA ID: 146)	30-Sept.-2011	30-Sept.-2016

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors, pursuant to a resolution passed at their meeting held on September 03, 2016 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Annual General Meeting held on September 07, 2016 authorized the Issue.

Our Company has obtained approval from the SME Platform of NSE for using its name in the Draft Prospectus/Prospectus pursuant to an approval letter dated [●] NSE is the Designated Stock Exchange.

Prohibition by SEBI or other Governmental Authorities

We confirm that there is no prohibition on our Company, our Promoter, our Promoters Group, our Directors, our Group Companies / Entities or the natural person(s) in control of our Company from accessing or operating in the Capital Markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any other authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoter, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoter, Promoter Group, Directors or the person(s) in control 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.

Association with Securities Market

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

Prohibition by RBI

Neither our Company, our Promoter, our Directors, Group Entities, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "Outstanding Litigations and Material Development" beginning on page 215 of the Draft Prospectus.

Eligibility for the Issue

Our Company is not ineligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

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

Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is less than ₹ 10 crore and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "*SME Platform of NSE*").

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the LM to the Issue Shall underwrites minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "General Information – Underwriting" beginning on page 45 of this Draft Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within fifteen (15) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of fifteen (15) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any of this Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Issue" beginning on page 45 of this Draft Prospectus.

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

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 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.

1. Our Company has Net Tangible Assets of at least ₹ 1 Crore as per the latest audited financial results (as restated).

As on March 31, 2016 the Company has **Net Tangible Assets*** of ₹ 446.32 Lacs which satisfies the criteria of having Net Tangible Assets of at least ₹ 1.00 Crore.

**Net tangible assets are defined as the sum of all net assets of the Company, excluding intangible assets and Net Deferred Tax as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India*

2. The Net worth (excluding revaluation reserves) of the Company is at least ₹ 1 Crore as per the latest audited financial results (as restated)

As on March 31, 2016, the Company had Net Worth of ₹ 450.46 Lacs as per the latest audited financial results as restated

**Net worth includes Equity Share Capital and Reserves (excluding revaluation reserves, Miscellaneous Expenditure not written off, if any & Debit Balance of Profit and Loss Account not written off, if any)*

3. Track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 3 Crores.

The Company's distributable profits in terms of sec. 123 of Companies Act, 2013 (as restated) in last three financial years are detailed below:

(Amount in Rs.)

Particulars	For F.Y. 2015-16	For F.Y. 2014-15	For F.Y. 2013-14
Net Profit (as restated)	4,712,131	1,88,741	2,24,239

5. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated [●] and National Securities Depository Limited dated [●] for establishing connectivity
6. Our Company has a website i.e. www.artnirman.com
7. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
8. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
9. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
10. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE)

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM 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 THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE

- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (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 ALL THE STOCK EXCHANGES MENTIONED IN THE 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 THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE AS INTERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 A PUBLIC OFFER SHALL BE IN DEMATERIALIZED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE 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 THE 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 BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.

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 THE 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 FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.
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 THE 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, section 35, Section 36 and Section 38 (1) 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 the 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, Ahmedabad in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Hem Securities Limited:

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Open ing Price on listin g date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	O.P. Chains Ltd.	2.035	11.00	April 22, 2015	11.25	40.91% [-2.29%]	38.63% [-0.39%]	36.36% [-1.88%]

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2.	Junction Fabrics and Apparels Ltd	1.60	16.00	July 10, 2015	17.50	14.06% [-0.54%]	3.125% [-7.39%]	3.125% [-7.52%]
3.	Loyal Equipments Ltd.	3.24	18.00	July 16, 2015	20.05	5.56% [-3.28%]	-9.72 [-5.42%]	8.06% [-12.73%]
4.	Emkay Taps and Cutting Tools Limited	15.55	330.00	August 13, 2015	334.00	-1.21% [-5.79%]	-1.51% [6.35%]	0% [-9.48%]
5.	Universal Autofoundry Limited	3.24	15.00	September 04, 2015	16.00	5% [7.28%]	73.33% [3.74%]	100% [-1.50%]
6.	Bella Casa Fashion & Retail Limited	3.43	14.00	October 15, 2015	14.30	72.85% [-5.18%]	86.43% [-8.62%]	64.29% [-8.17%]
7.	Vishal Bearing Limited	3.24	25.00	October 15, 2015	26.00	22.00% [-4.69%]	16.40% [-8.62%]	16% [8.17%]
8.	Arambhan Hospitality Services Ltd (Formerly known as "Cawasji Behramji Catering Services Limited")	1.862	14.00	October 19, 2015	15.25	103.57% [-5.48%]	142.86% [-11.61%]	125% [-9.82%]
9.	Raghav Ramming Mass Limited	7.48	39.00	April 13, 2016	41.00	3.85% [0.64%]	44.61% [8.51%]	NA
10.	Advance Syntex Limited	2.52	12.00	July 12, 2016	13.25	0.00% [1.24%]	NA	NA

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 th calendar days from listing			No. of IPOs trading at Premium- 30 th calendar days from listing			No. of IPOs trading at discount- 180 th calendar days from listing			No. of IPOs trading at Premium- 180 th calendar days from listing		
			Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%
2013-14	3 ⁽¹⁾	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7 ⁽²⁾	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-16	8 ⁽³⁾	34.20	-	-	1	2	2	3	-	-	-	3	1	4
2016-17	2 ⁽⁴⁾	10.00	-	-	-	-	-	2	-	-	-	-	-	-

⁽¹⁾ The scrips of Samruddhi Realty Limited, Captain Polyplast Limited and Tentiwal Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.

⁽²⁾ The scrips of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.

⁽³⁾ The scrips of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively.

⁽⁴⁾ The scrips of Raghav Ramming Mass Limited was listed on April 13, 2016.

*Raghav Ramming Mass Limited has not Completed 180th days from the listing day.

*Advance syntex Limited listed on July 12, 2016 has not completed 180th day from the listing.

Note:

- a) BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- b) Prices on BSE/NSE are considered for all of the above calculations.
- c) In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- d) In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- e) N.A. - Period not completed.
- f) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

Track Record of past issues handled by Hem Securities Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.hemsecurities.com

Disclaimer from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the MOU entered between the LM (Hem securities Limited) and our Company on September 07, 2016 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company 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, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Caution

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and 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 the Equity Shares in the Issue.

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 applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law)

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with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Jaipur, Rajasthan, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under 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 outside the United States in compliance with Regulation S of the Securities Act and 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 Bids 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

The Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra

A copy of this Draft Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of

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Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the SEBI Western Regional Office, SEBI Unit No.: 002 Ground Floor SAKAR I Near. Gandhigram Railway Station, opposite Nehru Bridge, Ashram Road, Ahmedabad-380009, Gujarat

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013

Listing

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period. Subject to applicable law.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s, Dhiren Shah & Company, Chartered Accountants, Statutory Auditor and M/s. SVK & Associates, Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial

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statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

Experts Opinion

Except for the reports in the section “Financial information of the Company” and “Statement of Tax Benefits” on page 158 and 80 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. 40 Lacs, which is 7.98 % of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB’s commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our company.

The Estimated Issue expenses are as under:-

No.	Particulars	Amount (₹ in Lacs)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
1.	Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc and other out of pocket expenses	[●]	[●]	[●]
2.	Printing and Stationery and postage expenses, Advertising and Marketing expenses	[●]	[●]	[●]
3.	Regulatory fees and expenses	[●]	[●]	[●]
	Total estimated Issue Expenses	[●]	[●]	[●]

**Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA’s and CDPs*

Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the Lead Manager will be as per the (i) Memorandum of Understanding dated September 07, 2016 with the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated [●] with Underwriter Hem Securities Limited and (iii) the Market Making Agreement dated [●] with Market Maker Hem Finlease Private Limited, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated September 07, 2016 a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Draft Prospectus or send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

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Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled "Capital Structure" beginning on page 52 of this Draft Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated in the chapter titled "Capital Structure" beginning on page 52 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

All of our Group / Associate are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

Outstanding Convertible Instruments

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

Option to Subscribe

Equity Shares being offered through the Draft Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted and.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Shareholder's and Investors Grievance Committee in the meeting of our Board of Directors held on August 07, 2016. For further details on the Shareholder's and Investor's Grievance Committee, please refer to section titled "Our Management" beginning on page 131 of this Prospectus.

Our Company has appointed Ms. Ziral Pankaj Kumar Soni, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Ziral Pankaj Kumar Soni
Art Nirman Limited
14, JBR Arcade, 2nd Floor,
Near R.K. Royal Hall,
Science City Main Road,
Sola Ahmedabad, Gujarat-380060
India
E-mail: cs@artnirman.com
Website: www.artnirman.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

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

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

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Except for appointment of M/s. SVK & Associates., Chartered Accountants, as peer review auditor in addition to the existing auditors, there have been no changes in our Company's auditors in the last three (3) years.

Capitalization of Reserves or Profits

Except as disclosed under section titled "Capital Structure" beginning on page 52 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "Statement of Tax Benefits" beginning on page 80 of this Draft Prospectus.

Purchase of Property

Other than as disclosed in Section "Our Business" on page 108 of the Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behavior

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled "*Our Management*" beginning on page 131 and "*Related Party Transactions*" beginning on page 195 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, 2009, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the abridged prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the FIPB, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application Forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the issue and DPs as and when the same is made available.

Authority for the Present Issue

The present Initial Public Issue of 2,00,4000 Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on September 03, 2016 and was approved by the Shareholders of the Company by passing Special Resolution at the Annual General Meeting held on September 07, 2016 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being offered /issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividends. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled "Main Provisions of Articles of Association of the Company" beginning on page 291 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as recommended by the Board of Directors at their discretion and approved by the shareholders 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 Companies Act. For further details in relation to dividends, please refer to chapter titled "Dividend Policy" and "Main Provisions of the Articles of Association" on page 157 and 291 respectively of this Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a Face Value of Rs 10.00 each are being offered in terms of this Draft Prospectus at the price of Rs 25/- per Equity Share (including a premium of Rs. 15/- 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 77 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.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations with the Stock Exchange and the Memorandum and Articles of Association of our 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 refer to Section titled "Main Provisions of Articles of Association of the Company" beginning on page 291 of this Draft Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996 & the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by the SME Platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Draft Prospectus will be done in multiples of 6,000 Equity Shares subject to a minimum allotment of 6,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

The minimum number of allottees in the 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 amounts in the ASBA Account shall be unblocked forthwith.

Joint Holders

Where 2 (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

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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 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 this section 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

Minimum Subscription

In accordance with Regulation [106P] (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P] (1) of SEBI ICDR Regulations, the underwriting shall not be restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed under section titled “*General Information*” on page 45 of this Draft Prospectus.

As per section 39 of the Companies Act, 2013 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 issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith unblocked the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 2013 and applicable law.

In accordance with Regulation [106R] of SEBI ICDR Regulations, 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 amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

Further, in accordance with Regulation [106Q] of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation [106R] 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). In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this issue and the amounts in the ASBA Account shall be unblocked forthwith.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 6,000 equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 52 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/debentures and on their consolidation / splitting except as provided in the Articles of Association. For further details please refer sub-heading "Main Provisions of the Articles of Association of the Company" on page 291 of this Draft Prospectus.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

Application by Eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs/FIIs registered with SEBI or VCFs. Such Eligible NRIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent policy of the Government of India, OCBs cannot participate in this Issue.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. 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 (FDI) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Option to receive Equity Shares in Dematerialized Form

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As per Section 29(1) of the Companies Act, 2013 and in accordance with SEBI ICDR Regulations, every company making public offer shall issue securities only in dematerialized form only. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants will not have an option of Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above 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 NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crores and up to ₹ 25.00 Crores, our company may still apply for migration to the Main Board If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and 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 Equity Shares offered through this Issue are proposed to be listed on the SME Platform of NSE, 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 3 (three) years from the date of listing on the SME Platform of NSE .For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 45 of this Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers 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 ₹ 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) 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.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jaipur, Rajasthan, India.

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 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), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. State securities laws. Accordingly, the Equity Shares are only being offered or sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post-issue face value capital does not exceeds 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 NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 239 and 248 respectively of this Draft Prospectus.

Following is the issue structure:

Public Issue of 20,04,000 Equity Shares of Face Value of Rs. 10/- each fully paid (The “Equity Shares”) for cash at a price of Rs. 25/- per Equity Shares (including a premium of Rs. 15/- per equity share) aggregating to Rs. 501.00 Lakhs (“the issue”) by our Company.

The Issue comprises a Net Issue to public of 19,02,000 Equity Shares (“the net issue”), a reservation of 1,02,000 Equity Shares for subscription by the designated Market Maker (“the market maker reservation portion”)

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	19,02,000 Equity Shares of Face Value ₹ 10/-	1,02,000 Equity Shares of Face Value ₹ 10/-
Percentage of Issue Size available for allocation	94.91 % of the Issue Size (Minimum 50% to Retail Individual Investors and the balance to other investors).	5.09 % of the Issue Size Firm allotment
Basis of Allotment	Proportionate subject to minimum allotment of 6,000 Equity Shares and further allotment in multiples of 6,000 Equity Shares each. For further details please refer to "Issue Procedure - Basis of Allotment" on page 280 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<u>For Other than Retails Individual Investors:</u> Such number of Equity Shares in multiples of 6,000 Equity Shares at an Issue price of ₹ 25 each, such that the Application Value exceeds ₹ 2,00,000/- <u>For Retail Individuals Investors:</u> 6,000 Equity Shares at an Issue price of ₹ 25 Each	1,02,000 Equity Shares of Face Value ₹ 10/-
Maximum Application Size	<u>For Other than Retails Individual Investors:</u> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. <u>For Retail Individuals Investors:</u> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/-.	1,02,000 Equity Shares of Face Value ₹ 10/-

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Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Trading Lot	6,000 Equity Shares	6,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “Issue Structure” on page 245 of this Draft Prospectus.

*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ is the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to Investors other than retail Individual Investors; and
- 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 Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of NSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- (ii) The final RoC approval of this Prospectus after it is filed with the RoC.
- (iii) 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.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through this Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

ISSUE PROGRAMME

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

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Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“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 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to 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 Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this 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 No. (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.

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. 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.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft 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 as amended via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our 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 the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

Application Form

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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 can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue are as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "**Designated Intermediaries**")

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue, Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. www.nseindia.com.

Who can apply?

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In addition to the category of Applicants as set forth under “General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Applicants

The Application must be for a minimum of 6000 Equity Shares and in multiples of 6000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 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.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LMs may deem fit.

The above information is given for the benefit of the Applicants. The Company and the LMs 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.

Participation by Associates /Affiliates of LM and the Syndicate Members

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/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Applicants:

1. Our Company and the Lead Managers 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 Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
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 SCSB's 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 Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is

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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 Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

Applications by eligible NRIs/ FPI's on Repatriation Basis

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b) Nothing contained in clause (a) shall apply to:
 - ❖ Any transactions in derivatives on a recognized stock exchange;
 - ❖ Short selling transactions in accordance with the framework specified by the Board;

- ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - ❖ Any other transaction specified by the Board.
- c) No transaction on the stock exchange shall be carried forward;
- d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - viii. Any other transaction specified by Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

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- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

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 LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, 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, 2010, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- (a) Equity shares of a company: The lesser 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: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, 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.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with 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 reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the

provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Provident Funds/Pension Funds

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

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 three 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

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Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of Rs. 25 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount 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 investors in the public issue can only invest through ASBA Mode.

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 Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

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.

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11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
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

- 1) The Issue is being made through the Fixed Price Process wherein 1,02,000 Equity Shares shall be reserved for Market Maker. 9,54,000 Equity shares will be allocated on a 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.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and Filing of Prospectus with ROC

- a) Our company has entered into an Underwriting Agreement dated [●]
- b) A copy of Prospectus will be filled with the RoC in terms of Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

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Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not 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 and 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 Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);

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- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- From one ASBA Account, a maximum of Five Application Forms can be submitted, if more than 5 Applications are submitted, all the applications will be rejected.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN Nos, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares

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applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (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 NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

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."

Undertakings by Our Company

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) 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;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) 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

- 6) 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 Issuer;

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 and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 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.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company will sign 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 equity shares bear an ISIN No. [●]

PART B

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 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), 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 Draft Prospectus/Prospectus before investing in the Issue

Section 1: Purpose of the General Information Document (GID)

This document is applicable to the public issues undertaken inter-alia through 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”) as amended.

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(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

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) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore 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 crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation.

2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be 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 SEBI (ICDR) Regulation, 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 SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked 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) Regulation, 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.

Art Nirman Limited

- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, 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. 1 crore as per the latest audited financial result.
- f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 1 crore as per the latest audited financial result.
- g) The issuer should have a tract record of distributable profits in terms of Section 123 of Companies Act, 2013 for two out of immediately preceding three financial years.
- h) The post –issue paid up capital of the issuer shall be at least Rs. 1 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 of competent jurisdiction against the Issuer.
- 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 1 year preceding the date of filing application to NSE 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) Regulation, 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 the Company is eligible for the Issue in accordance with Regulation 106M(1) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed Rs.1,000 Lacs. Company also complies with the eligibility conditions laid by the SME Platform of NSE 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 Daft 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 Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/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.

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:

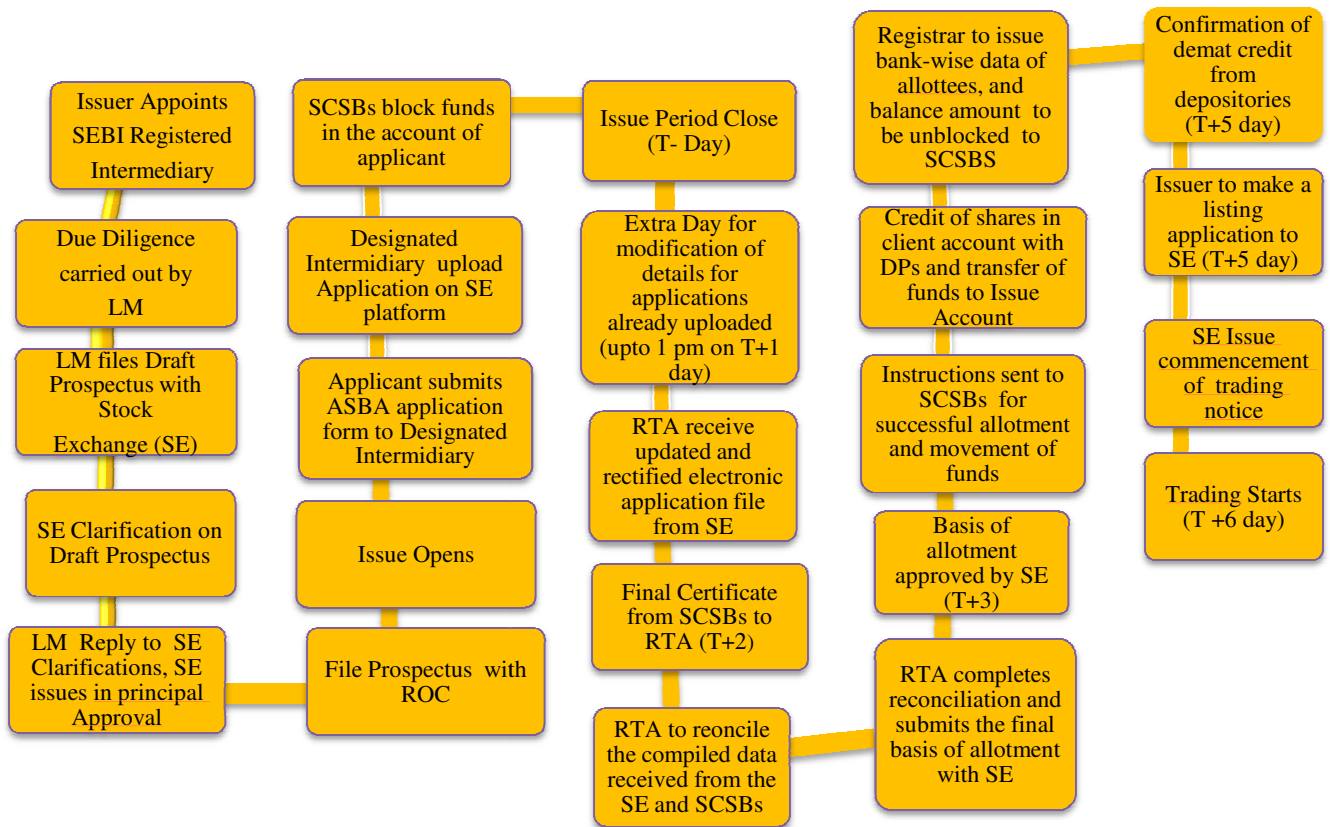
- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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), The Company shall apply to SE for listing of its 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 10 crores but below 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 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.

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 Bidders/Applicants, such as NRIs, FII's, FPIs 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) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/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 may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- 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;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this 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 cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. 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 color of the Application Form for various categories of Applicants is as follows:

Category	Color of the Application
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 bidding under the QIB), FPIs on a repatriation basis	Blue

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 rematerialized subsequent to allotment.

4.1 Instructions For Filing Application Form/ 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 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 Details: CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS Bid cum Application Form No.
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 <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>		6. INVESTOR STATUS <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH <small>* HUF should apply only through Karva (Application by HUF would be treated on par with Individual)</small>
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		
Bid Options:	No. of Equity Shares Bid (In Figures) <small>(Bid must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) "Cut-off" <small>(Price in multiples of ₹ 1/- only) (In Figures)</small>
Option 1 (OR) Option 2 (OR) Option 3	Bid Price Retail Discount Net Price	"Cut-off" (Please tick) <input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
7. PAYMENT DETAILS Amount paid (₹ in figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
<small>IN FULL 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 ADVERTISEMENTS 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.</small>		
8A. SIGNATURE OF SOLE / FIRST BIDDER _____ Date : _____	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) <small>(AS PER BANK RECORDS)</small> I/We authorize the SCSB to do all acts as are necessary to make the Application in the law. 1) _____ 2) _____ 3) _____	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
TEAR HERE		
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
TEAR HERE		
XYZ LIMITED - INITIAL PUBLIC ISSUE - R	No. of Equity Shares Bid Price Amount Paid (₹) ASBA Bank A/c No. _____ Bank & Branch _____	Stamp & Signature of Broker / SCSB / DP / RTA Name of Sole / First Bidder _____ Acknowledgement Slip for Bidder Bid cum Application Form No. _____

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : _____ Contact Details : _____ CIN No _____	For Eligible NRI, FI, FVCI, applying on Restriction Basis
LOGO	FIXED PRICE GME ISSUE INE000000000	Bid cum Application Form No. _____
TO, THE BOARD OF DIRECTORS XYZ LIMITED		
SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	Mr. / Ms. _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Address _____
		Tel. No (with STD code) / Mobile _____
		2. PAN OF SOLE / FIRST BIDDER
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		5. CATEGORY <input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB <input type="checkbox"/> Others (Please Specify) _____
For NSDL, enter 8 digit L1 ID followed by 8 digit Client ID for CDSL, enter 16 digit Client ID		
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		
Bid Options	No. of Equity Shares Bid (In Figures) (This must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
	Bid Price	Retail Discount
		Net Price
Option 1		"Cut-off" Please tick <input type="checkbox"/>
OR: Option 2		<input type="checkbox"/>
OR: Option 3		<input type="checkbox"/>
6. Investor Status		
<input type="checkbox"/> Non-Resident Indian (Residential basis) NR		
<input type="checkbox"/> Foreign Institutional Investor FI		
<input type="checkbox"/> Foreign Venture Capital Investor FVCI		
<input type="checkbox"/> FI Sub Account Corporate/Individual FI SA		
<input type="checkbox"/> Others (Please Specify) OTH		
7. PAYMENT DETAILS PAYMENT OPTION : FULL PAY		
Amount paid (₹ in figures) _____ (₹ in words) _____		
ASBA Bank A/c No. _____		
Bank Name & Branch _____		
<small>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 ABSTRACT PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING 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 FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small>		
8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</small>	BROKER / SCSB / DP / RTA STAMP (Acknowledging receipt of Bid in Stock Exchange system)
Date : _____	1) _____ 2) _____ 3) _____	
TEAR HERE		
LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Bid cum Application Form No. _____
	Acknowledgement Slip for Broker/SCSB/DP/RTA	PAN of sole / First Bidder _____
DPID / CLID	Amount paid (₹ in figures) _____	Stamp & Signature of SCSB Branch
	ASBA Bank A/c No. _____	
	Received from Mr/Ms. _____	
	Telephone / Mobile _____ Email _____	
TEAR HERE		
XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1 Option 2 Option 3	Name of sole / First Bidder
No. of Equity Shares		
Bid Price		
Amount Paid (₹)		
ASBA Bank A/c No. _____	Stamp & Signature of Broker / SCSB / DP / RTA	Acknowledgement Slip for Bidder
Bank & Branch _____		Bid cum Application Form No. _____

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **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 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,
- b) The Designated Intermediaries 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 Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders 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:

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
 - 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
 - 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.”
- 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 DP.

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. A 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 may mention Price as per Draft Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size

i. For Retails Individual Applicants

The Application must be for a minimum of 6,000 equity shares. As the application price payable by the retail individual applicants cannot exceed Rs. 200000 they can make Application for only minimum Application size i.e for 6,000 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. 200000 and in multiples of 6,000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200000 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 prescribed 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 the Designated Intermediaries 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 PFI 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. Application 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 Application clearly indicates the scheme for which the application has been made.
 - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) 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

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 as amended for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009 as amended. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) 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 use ASBA facility to block 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 funds shall be blocked 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) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.1.7.1 Payment instructions for Applicants

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (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) Applicant 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) Applicant 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 through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate 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 members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (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 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.
- (h) ASBA Applicant 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.
- (i) Upon receipt of 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.
- (j) 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 may upload the details on the Stock Exchange Platform.
- (k) 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.
- (l) 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.
- (m) 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.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

4.1.8 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, if any, 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/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, 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 Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

4.1.8.1 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

4.1.8.2 Additional Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

4.1.9 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 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 authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application 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.

4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) 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, the Applicants should contact the Registrar to the Issue.
 - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
 - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries –
- i. Full name of the sole or 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 Intermediary, where the Application was submitted; or
 - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application 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 upwards) who has registered his or her interest in the Equity Shares at 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 in both the desired number of Equity Shares and the Bid Amount 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 same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details: CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS	
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN :	
		Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.		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 <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>			
PLEASE CHANGE MY BID			
4. FROM (AS PER LAST BID OR REVISION)			
Bid Options	No. of Equity Shares Bid (Bid: must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
Option 1	8 7 6 5 4 3 2 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)	
(OR) Option 2	_____	_____	
(OR) Option 3	_____	_____	
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")			
Bid Options	No. of Equity Shares Bid (Bid: must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
Option 1	8 7 6 5 4 3 2 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)	
(OR) Option 2	_____	_____	
(OR) Option 3	_____	_____	
6. PAYMENT DETAILS			
Additional Amount Paid (₹ in figures)	_____ (₹ in words)	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
ASBA Bank A/c No.	_____	_____	
Bank Name & Branch	_____	_____	
<small>I/WE (AS APPLICANT/S) (IF ANY) HEREBY CONFIRM THAT I/WE (H/WE) HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE APPLICABLE LISTING AGREEMENTS 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 FILING UP THE BID REVISION FORM GIVEN OVERLEAF.</small>			
7A. SIGNATURE OF SOLE / FIRST BIDDER		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	
Date : _____		I/We authorize the SCSB to do all acts as are necessary to make the Application in the line	
		1) _____ 2) _____ 3) _____	
		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
TEAR HERE			
LOGO	XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	
		Bid cum Application Form No. _____	
DPID / CLID	PAN of Sole / First Bidder		
Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.	_____	_____	
Received from Mr./Ms.	_____	_____	
Telephone / Mobile	_____	Email _____	
TEAR HERE			
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3
	No. of Equity Shares	_____	_____
	Bid Price	_____	_____
	Additional Amount Paid (₹)	_____	_____
ASBA Bank A/c No.	_____		Stamp & Signature of Broker / SCSB / DP / RTA
Bank & Branch	_____		Name of Sole / First Bidder
			Acknowledgement Slip for Bidder
			Bid cum Application Form No. _____

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: BID OPTIONS REVISION 'FROM' AND 'TO'

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share 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 not exceed Rs.200,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

4.2.3 FIELD 6: PAYMENT DETAILS

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the 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 FIELDS 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 REVISION FORM/APPLICATION FORM

Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively

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 Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing 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 Exchanges 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 FOR TECHNICAL REJECTIONS

Applicants are advised to note that the 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, Application for Equity Shares made in the name 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 the minimum 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 as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application 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;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by NSE.
- 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; and
- 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

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

APPLICANT 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 EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

This being the 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 SME Platform of NSE (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:

- 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 6,000 Equity Shares the allotment will be made as follows:
 - i. Each successful applicant shall be allotted 6,000 Equity Shares;
 - ii. 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.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 Equity Shares subject to a minimum allotment of 6,000 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 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 6,000 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, upto 110% of the size of the offer specified under the Capital Structure mentioned in this 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 the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
 - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the 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 SME Platform of NSE.

The Executive Director/ Managing Director of the SME Platform of NSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer 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.

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) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 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 5 Working Days of the Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

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 6 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 6 Working Days of the Issue Closing Date.

8.2 GROUNDS FOR UNBLOCKING OF FUNDS

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. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

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 initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the 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 Companies Act, and disclosed in the Prospectus.

8.2.2 Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 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 our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations and the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

Art Nirman Limited

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 forthwith.

8.3 Mode of Unblocking of Funds

Within 6 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.

8.3.1 Mode of making refunds for Applicants

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

8.4 Interest In Case Of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if 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 for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

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
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
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
ASBA Application	A Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue

Term	Description
Bid	An indication to make an offer during the Issue Period by a prospective Applicant pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Issue Closing Date	The date after which the SCSBs may not accept any application 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 SCSBs may start accepting application 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	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) 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
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Draft Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes a Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centres	Broker Centres notified by the Stock Exchanges, where Applicants can submit the Application Form 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 websites of the Stock Exchanges.
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except 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

Term	Description
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
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 may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries .
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	This Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price
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 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

Term	Description
FII(s)	Foreign Institutional Investors as defined under the 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
FPIs	Foreign Portfolio Investors as defined under the 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 Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
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 Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
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 Prospectus and the Application Form

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
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
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholder
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
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, 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
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
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding 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 bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 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 bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.

Term	Description
Revision Form	The form used by the Applicant 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)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by Consolidated FDI Policy Circular of 2015 with effect from May 12, 2015 ("Consolidated FDI Policy Circular of 2015") consolidates and subsumes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Consolidated FDI Policy Circular of 2015 will be valid until the DIPP issues an updated circular.

Subscription by foreign investors (NRIs/FPIs)

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public offer without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through offer, subject to total FPI investment being within the individual FPI/sub account investment limit of 10 per cent subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

Representation from the Applicants

No person shall make an Application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make Application under 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, as applicable, 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, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue.

The Equity Shares have not been and will not be registered under 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 promulgated under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration

Art Nirman Limited

requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Our Company, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
1.	In these Articles unless there be something in the subject matter or context inconsistent therewith:	
	i. “The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.	The Act
	ii. “Articles” means Articles of Association of the Company as originally framed or altered from time to time	Articles
	iii. “Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	Beneficial Owner
	iv. “Board or Board of Director” means the Collective body of the Board of Directors of the Company.	Board or Board of Directors
	v. “Chairman” means the Chairman of the Board of the Directors of the Company.	Chairman
	vi. “The Company” means Art Nirman Limited	The Company
	vii. “Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	Depositories Act,1996
	viii. “Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	Depository
	ix. “Directors” means the Directors for the time being of the Company.	Directors
	x. “Dividend” includes any interim dividend	Dividend
	xi. “Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.	Document
	xii. “Equity Share Capital” , with reference to any Company limited by shares, means all share capital which is not preference share capital	Equity Share Capital
	xiii. “KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	KMP
	xiv. “Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.	Managing Director
	xv. “Month” means Calendar month	Month
	xvi. “Office” means the registered office for the time being of the Company.	Office
	xvii. “Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-	Paid-up share Capital

	up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called	
	xviii. “Postal Ballot” means voting by post or through any electronic mode	Postal Ballot
	xix. “Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.	Proxy
	xx. “Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.	Public Holiday
	xxi. “Registrar” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.	Registrar
	xxii. “Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force	Rules
	xxiii. “SEBI” means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	SEBI
	xxiv. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	Securities
	xxv. “Share” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.	Share
	xxvi. “Seal” means the common seal of the Company.	Seal
	xxvii. “Preference Share Capital” , with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to— (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;	Preference Share Capital
	Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company. ‘In writing’ and ‘written’ includes printing, lithography and other modes	

	of representing or reproducing words in a visible form.	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	Share Capital
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, and any other applicable provisions of the Act or any law for the time being in force, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	Issue of Sweat Equity Shares
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	Issue of Debentures
6.	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is</p>	Issue of Share Certificates Issue of Share Certificates

	<p>necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>	
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.	
10.	<p>i. 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 rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>	Power to pay Commission in connection with the Securities issued
11.	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	Variations of Shareholder's rights

12.	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.	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of 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	Issue of Preference Shares
14.	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	Further Issue of shares

15.	<p>i. The Company shall have a first and paramount lien—</p> <ol style="list-style-type: none"> 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 or 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. c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer’s lien shall be restricted to moneys called or payable at fixed time in respect of such shares; and <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company’s lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	
16.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <ol style="list-style-type: none"> a. unless a sum in respect of which the lien exists is presently payable; or b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. 	Lien
17.	<ol style="list-style-type: none"> i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer. iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. 	
18.	<ol style="list-style-type: none"> i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. 	
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <ol style="list-style-type: none"> a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share. b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as 	Joint Holdings

	<p>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.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>f)(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) 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 as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	
20.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	Calls on shares
21.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	

23.	<ul style="list-style-type: none"> i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine. ii. The Board shall be at liberty to waive payment of any such interest wholly or in part. 	
24.	<ul style="list-style-type: none"> i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. 	
25.	<p>The Board—</p> <ul style="list-style-type: none"> i. 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 ii. 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. 	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	<p>The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.</p>	
28.	<p>The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
29.	<ul style="list-style-type: none"> i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles. ii. Each share in the Company shall be distinguished by its appropriate number. iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares. 	Transfer of shares
30.	<ul style="list-style-type: none"> i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. 	

31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or ii. any transfer of shares on which the Company has a lien. iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. 	
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; ii. 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 the instrument of transfer is in respect of only one class of shares. <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s), iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred; v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter. 	
33.	<p>The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay.</p>	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>	

35.	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
36.	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.	Register of Transfers
37.	<p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>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 security 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.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <ul style="list-style-type: none"> • All Securities of the Company held by the Depository shall be dematerialised and be in fungible form. • Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners. <p>d. Rights of Depositories & Beneficial Owners:-</p> <p>Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the</p>	Dematerialisation of Securities

	<p>records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	Transmission of shares
39.	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p style="padding-left: 40px;">a. to be registered himself as holder of the share; or</p> <p style="padding-left: 40px;">b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	
40.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company</p>	

	<p>a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	
41.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	<p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>	
44.	<p>The notice aforesaid shall—</p> <p>i. 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</p> <p>ii. 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.</p>	Forfeiture of shares
45.	<p>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.</p>	
46.	<p>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>	
47.	<p>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the</p>	

	<p>Company in respect of the shares.</p> <p>ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</p>	
48.	<p>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>	
49.	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	
50.	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.	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.	The Board may, subject to the provision 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.	The Provisions of these regulations 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.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any	Initial payment not to preclude forfeiture

	indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	
56.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	Alteration of capital
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,— <ul style="list-style-type: none"> i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; iv. 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. 	
58.	Where shares are converted into stock,— <ul style="list-style-type: none"> i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <ul style="list-style-type: none"> ii. 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. iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively. 	
59.	The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— <ul style="list-style-type: none"> i. its share capital; ii. any capital redemption reserve account; or iii. Any share premium account. 	Reduction of Capital
60.	The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and	Share Warrants

	<p>authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	
61.	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol style="list-style-type: none"> a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ol style="list-style-type: none"> 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 of the Company to be allotted and distributed, credited as fully paid-up bonus shares, 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); d. A securities premium account and a capital redemption 	Capitalisation of profits

	<p>reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p> <p>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</p> <p>iii. Allotment or distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p>	
62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>b. generally to do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power—</p> <p>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</p> <p>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of shares
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.	
65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>	General Meeting

66.	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
68.	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.	Proceedings at general meetings
69.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	<p>i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>	
73.	<p>i. A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may</p>	Time of taking poll

	direct.	
74.	<ul style="list-style-type: none"> i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. 	Adjournment of meeting
75.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <ul style="list-style-type: none"> i. on a show of hands, every member present in person shall have one vote; and ii. 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. 	Voting rights
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	<ul style="list-style-type: none"> i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. 	
78.	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.	
79.	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 satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	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.	
82.	<ul style="list-style-type: none"> i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and 	

	conclusive	
83.	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	Casting Vote
85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	Representation of Body Corporate
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's resolution
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	Resolution requiring special notice
88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.	Resolutions passed at adjourned meeting
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
90.	<p>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :</p> <p>A. In the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>B. In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period,</p>	Minutes of proceedings of general meeting and of Board and other meetings

	<p>by a Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p style="padding-left: 20px;">a. the names of the Directors present at the meetings, and</p> <p style="padding-left: 20px;">b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p style="padding-left: 20px;">a. is or could reasonably be regarded, as defamatory of any person</p> <p style="padding-left: 20px;">b. is irrelevant or immaterial to the proceedings; or</p> <p style="padding-left: 20px;">c. is detrimental to the interests of the Company.</p> <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings
93.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxy
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	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:	

	<p>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.</p>	
96.	<p>The first directors of the Company shall be:</p> <ol style="list-style-type: none"> 1. ASHOKKUMAR RAGHURAM THAKKER 2. DHARMISTHABEN ASHOKKUMAR THAKKER 	Board of Directors
97.	<p>The Directors need not hold any “Qualification Share(s)”.</p>	
98.	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions: He shall be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	
99.	<ol style="list-style-type: none"> i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them— <ol style="list-style-type: none"> 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 	
100.	<p>The Board may pay all expenses incurred in getting up and registering the company.</p>	
101.	<p>The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.</p>	
102.	<p>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.</p>	

103.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.		
104.	<p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>		
105.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	Retirement and Rotation of Directors	
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act.		
107.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.		
108.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.		
109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.		
110.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.		
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.		Nominee Director

112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
114.	The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors. Provided that if any such Nominee Directors is an Officer of the Financial Institution, the sitting fees in relation to such Nominee Directors shall also accrue to the Financial Institution as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.	
115.	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	
117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	Removal of Directors
118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	

119.	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</p> <p>(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	
120.	<p>A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.</p>	
121.	<p>A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.</p>	
122.	<p>If the vacancy is not filled under clause (120) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.</p>	
123.	<p>Nothing in this section shall be taken-</p> <p>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contact or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p>b) as derogating from any power to remove a director under other provisions of this Act.</p>	
124.	<p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</p>	<p>Remuneration and sitting fees to Directors including Managing and whole time Directors</p>

	b. In connection with the business of the Company.	
125.	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	
126.	<p>i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <p>a. The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>b. The Power to authorize buy-back of securities under Section 68 of the Act.</p> <p>c. Power to issue securities, including debenture, whether in or outside India</p> <p>d. The power to borrow moneys</p> <p>e. The power to invest the funds of the Company,</p> <p>f. Power to Grant loans or give guarantee or provide security in respect of loans</p> <p>g. Power to approve financial statements and the Board's Report</p> <p>h. Power to diversify the business of the Company</p> <p>i. Power to approve amalgamation, merger or reconstruction</p> <p>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</p> <p>k. Powers to make political contributions;</p> <p>l. Powers to appoint or remove key managerial personnel (KMP);</p> <p>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>n. Powers to appoint internal auditors and secretarial auditor;</p> <p>o. Powers to take note of the disclosure of director's interest and shareholding;</p> <p>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</p> <p>q. Powers to invite or accept or renew public deposits and related matters;</p> <p>r. Powers to review or change the terms and conditions of public deposit;</p> <p>s. Powers to approve quarterly, half yearly and annual financial</p>	<p>Powers and duties of Directors:</p> <p>Certain powers to be exercised by the Board only at meeting.</p>

	<p>statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	
127.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p>	Restriction on powers of Board

	<p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	
128.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
129.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised 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 Act 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 Directors which would have been valid if such regulation had not been made.	General powers of the Company vested in Directors
130.	Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers: <p>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p> <p>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets,</p>	Specific powers given to Directors

	<p>rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</p> <p>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any</p>	
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	<p>account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money,</p>	
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	<p>pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the</p>	
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	<p>protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
131.	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p>MANAGING DIRECTORS</p> <p>Power to appoint Managing or Whole-time Directors</p>
132.	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	<p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	Proceedings of the Board
135.	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.	
136.	The participation of directors in a meeting of the Board/ Committees 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.	
137.	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>	
138.	<p>a) 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.</p> <p>b) 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.</p>	Delegation of Powers of Board to Committee
139.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) 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.</p>	
140.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>	
141.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	
142.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
143.	<p>Subject to the provisions of the Act,—</p> <p>a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</p>	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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 .	
145.	<ul style="list-style-type: none"> a) The Board shall provide for the safe custody of the seal. b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. 	The Seal
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Dividends and Reserve
147.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.	
148.	<ul style="list-style-type: none"> a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. 	
149.	<ul style="list-style-type: none"> a) 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. b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. 	
150.	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.	

151.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
152.	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.	
153.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	
154.	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
155.	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
156.	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.	
157.	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.	
158.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	Accounts

159.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <ol style="list-style-type: none"> i. be kept at the registered office of the Company, and ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection. <p>Provided however that any person willing to inspect the minute's books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>	Inspection of Statutory Documents of the Company
160.	<p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <ol style="list-style-type: none"> a. by any member or creditor without any payment of fees; or b. by any other person on payment of such fees as may be prescribed, <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	Register of charges
161.	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	Audit
162.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p>	Winding up

	<ul style="list-style-type: none"> i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability. 	
163.	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—	Indemnity
164.	<ul style="list-style-type: none"> a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents. b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose. 	Secrecy

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Prospectus, delivered to the Registrar of Companies, Ahmedabad for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered office of the Company from 11.00 a.m. to 5.00 p.m. on working days from the date of the Draft Prospectus until the Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated September 07, 2016 between our Company and Hem Securities Limited as Lead Manager (LM) to the Issue.
2. Memorandum of Understanding dated September 07, 2016 executed between our Company and the Registrar to the Issue (Sharex Dynamic (India) Pvt. Ltd.)
3. Market Making Agreement dated [●] between our Company, the LM and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, the LM, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company, the LM and Underwriter.
6. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated [●] among NSDL, the Company and the Registrar to the Issue.

Material Documents

1. Certificate of Incorporation dated February 19, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli in the name of Vishnudhara Builders Private Limited.
2. Fresh Certificate of Incorporation dated July 19, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli pursuant to change in name from Vishnudhara Builders Private Limited to Vishnudhara Buildcon Private Limited.
3. Fresh Certificate of Incorporation dated October 08, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli pursuant to change in name from Vishnudhara Buildcon Private Limited to Art Nirman Private Limited.
4. Fresh Certificate of Incorporation dated September 02, 2016 issued by the Registrar of Companies, Ahmedabad consequent upon Conversion of the Company to Public Company.
5. Certified copies of the Memorandum and Articles of Association of the Company as amended.
6. Copy of the Board Resolution dated September 03, 2016 authorizing the Issue and other related matters.
7. Copy of Shareholder's Resolution dated September 07, 2016 authorizing the Issue and other related matters.
8. Copies of Audited Financial Statements of our Company for the years ended March 31, 2016, 2015, 2014, 2013 & 2012.
9. Peer Review Auditors Report dated September 07, 2016 on Restated Financial Statements of our Company for the years ended March 31, 2016, 2015, 2014, 2013 & 2012.
10. Copy of the Statement of Tax Benefits dated September 07, 2016 from the Statutory Auditor.
11. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
12. Copy of Certificate from the Peer Review Auditors of our Company, M/s SVK & Associates, Chartered Accountants, dated September 07, 2016 regarding the Eligibility of the Issue.
13. Board Resolution dated September 07, 2016 for approval of Draft Prospectus, dated [●] for approval of Prospectus
14. Due Diligence Certificate from Lead Manager dated September 07, 2016 filed with NSE and dated [●] filed with SEBI.
15. Approval from NSE vide letter dated [●] to use the name of NSE in this Prospectus for listing of Equity Shares on the SME Platform of the NSE.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act the Securities and Exchange Board of India Act, 1992, each as amended or the rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the statements in the Draft Prospectus are true and correct:

SIGNED BY THE DIRECTORS OF THE COMPANY:

<p>Sd/-</p> <p>Mr. Ashokkumar Raghuram Thakker <i>Chairman and Managing Director</i> DIN : 02842849</p>	<p>Sd/-</p> <p>Mrs. Dharmisthaben Ashokkumar Thakkar <i>Non executive Director</i> DIN : 03423373</p>
<p>Sd/-</p> <p>Mr. Krunal Kiritkumar Mistry <i>Independent Non Executive Director</i> DIN : 07555458</p>	<p>Sd/-</p> <p>Mr. Viral Dipak Ranpura <i>Independent Non Executive Director</i> DIN: 07177208</p>

SIGNED BY -

<p>Sd/-</p> <p>Mr. Kirtar Satubhai Munshi <i>Chief Financial Officer</i></p>	<p>Sd/-</p> <p>Ms. Ziral Pankaj Kumar Soni <i>Company Secretary and Compliance Officer</i></p>
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Place: Ahmedabad

Date: 08.09.2016