



## SONAM CLOCK LIMITED

Corporate Identification Number: - U33302GJ2001PLC039689

Our Company was incorporated in the name of "Sonam Clock Private Limited" (CIN : U33302GJ2001PTC39689) under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 21, 2001, issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later, our Company was converted into Public Limited Company and consequently name of company was changed from "Sonam Clock Private Limited" to "Sonam Clock Limited" bearing CIN: U33302GJ2001PLC039689 vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on January 29, 2018 and a fresh certificate of incorporation dated February 7, 2018 issued by the Registrar of Companies, Ahmedabad.

**Registered Office:** Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India

**Tel No:** +91-2822-285017 | **Fax No:** +91 2822 285987 | **E-mail:** [info@sonamquartz.com](mailto:info@sonamquartz.com) | **Website:** [www.sonamquartz.com](http://www.sonamquartz.com)

**CONTACT PERSON: MS. SEJAL HARESHBHAI SHAH (COMPANY SECRETARY & COMPLIANCE OFFICER)**

**PROMOTERS OF OUR COMPANY: MR. JAYESHBHAI CHHABILDAS SHAH AND MRS. DEEPABEN JAYESHBHAI SHAH**

### THE ISSUE

**INITIAL PUBLIC ISSUE OF 28,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SONAM CLOCK LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO [●] LAKHS ("ISSUE") OF WHICH 1,44,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR A CASH PRICE OF [●] PER EQUITY SHARE, AGGREGATING TO [●] 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 26,64,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF [●] PER EQUITY SHARE AGGREGATING TO [●] LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.06% AND 26.62%, 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 225 OF THIS DRAFT PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS [●]. THE ISSUE PRICE IS [●] 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 RELATED INFORMATION" BEGINNING ON PAGE 225 OF THIS DRAFT PROSPECTUS.**

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 233 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 233 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 [●] times of the face value. The Issue Price (will be determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph 'Basis for Issue Price' on page 74 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 14 of this Draft Prospectus.**

### ISSUER'S ABSOLUTE RESPONSIBILITY


Our Company have 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"). 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

 <p><b>Hem Securities Ltd</b></p> <p><b>HEM SECURITIES LIMITED</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India <b>Tel. No.:</b> +91- 022- 4906 0000 <b>Fax No.:</b> +91- 022- 2262 5991 <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Email:</b> <a href="mailto:jb@hemsecurities.com">jb@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Contact Person :</b> Mr. Anil Bhargava <b>SEBI Regn. No.</b> INM000010981</p>	 <p><b>BIG SHARE SERVICES PRIVATE LIMITED</b> 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East), Mumbai 400059, India <b>Tel No.:</b> +91-022-62638200 <b>Fax No.:</b> +91-022-62638299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bighareonline.com">www.bighareonline.com</a> <b>Contact Person:</b> Mr. Ashok Shetty <b>SEBI Regn. No.:</b> INR000001385</p>
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### ISSUE PROGRAMME

**ISSUE OPENS ON: [●]**

**ISSUE CLOSE 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”, “Financial Information of the Company” and “Main Provisions of Articles of Association” on pages 77, 136 and 272 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

Terms	Description
“SCL” “the Company”, “our Company” and Sonam Clock Limited	Sonam Clock Limited, a Company incorporated in India under the Companies Act, 1956 having its Registered office at Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

#### Company related terms

Term	Description
Advisor to the Issue	The Advisor to the Issue of our Company being CA Shilpang Karia
AOA / Articles / Articles of Association	Articles of Association of Sonam Clock Limited as amended from time to time.
Auditors/ Statutory Auditors	The Statutory Auditors of Sonam Clock Limited being <b>M/s D.V. Bakrania &amp; Associates</b> , Chartered Accountants (Firm Registration No. as 127116W), having office at Shiv Shakti Complex, 1 <sup>st</sup> Floor, Opp. Jain Derasar, Shanala Road, Morbi - 363641
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 Requirement) Regulation, 2015.
Bankers to the Company	[•]
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 “ <b>Our Management</b> ” beginning on page 114 of this Draft Prospectus.
CIN	Corporate Identification Number
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Amitbhai Jamnadas Vaghajiyani
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 & Compliance Officer of our Company being Ms. Sejal Hareshbhai Shah
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 Directors are the Managing Director & Whole-time Directors of our Company.
GIR Number	General Index Registry Number.

Group Companies	The word “ <b>Group Companies</b> ”, 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 “ <b>Our Group Company</b> ” promoted by the Promoters on page 132 of this Draft Prospectus.
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations.
ISIN	International Securities Identification Number. In this case being [●]
IFRS	International Financial Reporting Standards
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 “ <b>Our Management</b> ” on page 114 of this Draft Prospectus.
IT Act	The Income Tax Act, 1961 as amended till date
Indian GAAP	Generally Accepted Accounting Principles in India.
LLP	Limited Liability Partnership
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on February 21, 2018, in accordance with the requirements of the SEBI (ICDR) Regulations, 2009 as amended from time to time.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Sonam Clock Limited as amended from time to time.
Non-Executive Director	A Director not being an Executive Director.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations.
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. J B Shah & Co. (Firm Registration No.: 121333W) having office at 302, Satkar Complex, Behind Lal Bungalow Opp. IFCI Bhavan, C G Road, Navrangpura, Ahmedabad 380009
Promoter	Shall mean promoters of our Company i.e. Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah. For further details, please refer to section titled “ <b>Our Promoters &amp; Promoter Group</b> ” beginning on page 127 of this Draft Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations as enlisted in the section “ <b>Our Promoters and Promoters Group</b> ” beginning on page 127 of this Draft Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	Survey No. 337/p, Morbi Rajkot Highway, Taluka Tankara, District Morbi, Lajai Rajkot, Gujarat - 363641, India
Restated Financial Statements	The Restated Financial statements of our Company’s Assets and Liabilities as at December 31 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and the restated statements of profit and loss and cash flows for the period ended December 31, 2017 and years ended March 31, 2017, 2016, 2015, 2014 and 2013 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations, 2009 and the Revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
RoC/ Registrar of Companies	Registrar of Companies, Gujarat, Ahmedabad
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.
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.
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.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited

### Issue Related Terms

<b>Terms</b>	<b>Description</b>
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 allotted
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 Applicant/Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the 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 [●] 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 " <i>Issue Procedure – Basis of Allotment</i> " on page 263 of the Draft Prospectus.
Broker Centers	Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the

	name and contact details of the Registered Brokers are available on the website of the Stock Exchange
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 and 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 Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated 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. <a href="http://www.nseindia.com">www.nseindia.com</a>
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. <a href="http://www.nseindia.com">www.nseindia.com</a>
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) (Emerge Platform)
DP	Depository Participant
DP ID	Depository Participant's Identity number
Draft Prospectus	Draft prospectus dated March 20, 2018 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 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.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the issue and in relation to whom the Draft Prospectus constitutes an invitation to purchase the Equity Share Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable law in India.

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 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 Agreement	The Agreement dated March 05, 2018 between our company and Lead Manager.
Issue/Public size/Initial Public Offering/ IPO	The Public Issue 28,08,000 Equity shares of ₹ 10/- each at issue price of [●] per Equity share aggregating to ₹ [●]
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 Rs [●] 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, including any revisions thereof.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled " <b>Objects of the Issue</b> " at page 68 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 [●] 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 1,44,000 Equity Shares of ₹ 10 each at an Issue price of [●] each aggregating to Rs. [●] Lakh to be subscribed by Market Maker in this issue.
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 26,64,000 equity Shares of ₹10 each at a price of [●] per Equity Share (the " <b>Issue Price</b> ") aggregating to [●] 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 " <b>Objects of the Issue</b> " beginning on page 68 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/-
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 XB 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 Registrar of Companies, Ahmedabad in accordance with the provisions of Section 32 of the Companies Act, 2013 containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with ROC.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
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 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 Bigshare Services Private Limited
Registrar Agreement	The agreement dated February 27, 2018 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 <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009
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)
Registrar and Share Transfers Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Location in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 Issued by SEBI
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time
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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
SME Exchange/ EMERGE Platform	EMERGE Platform of National Stock Exchange of India Limited
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	[●] 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 [●] between the Underwriters [●] and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time
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

Term	Description
B2B	Business to Business
B2C	Business to Customers
CLRA	Contract Labour Regulation and Abolition Act, 1970
GPCB	Gujarat Pollution Control Board
Mould	A hollow container used to give shape to molten or hot liquid material when it cools and hardens
MRP	Maximum Retail Price
Sq. Ft.	Square Feet
Style	Nomenclature used by our Company for each distinguished designed product
R&D	Research and Development
US	Unites States of America

### 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)

BSE SENSEX	Sensex is an index; market indicator of the position of stock that is listed in the BSE
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CAD	Canadian Dollar
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
CSR	Corporate Social Responsibility
CENVET	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
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
FIIs	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
GST	Goods and Services Tax
HUF	Hindu Undivided Family
HNI	High Net Worth Individual

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
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
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
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
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
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
RoC	Registrar of Companies
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
SCSB	Self Certified syndicate Banks
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
UIN	Unique identification number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	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
-, ()	Represent Outflow

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, 1956 & Companies Act, 2013, 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”, “Sonam Clock Limited”, “SCL”, and, unless the context otherwise indicates or implies, refers to Sonam Clock 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 March 2017, 2016, 2015, 2014 and 2013 and also for the stub period ended December, 2017 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 136 of this Draft Prospectus. Our Company does not have any Subsidiary Company. Accordingly, financial information relating to us is presented on Standalone basis only. 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 136 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 272 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.

In accordance with the SEBI (ICDR) Regulations, 2009, the section titled “**Basis for Issue Price**” on page 74 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 14, 88 and 189 in the Draft Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

This Draft Prospectus contains conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented 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. Disruption in our manufacturing operations.
2. Company’s ability to successfully implement its growth strategy and expansion plans, and to successfully launch new Products;
3. Our inability to effectively diversify our portfolio of products ;
4. The business or financial condition of our customers or the economy generally, or any developments in the Clock manufacturing sector in macro- economic factors, which may affect the rate of growth and the demand for our products;
5. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
6. Inability to successfully obtain registrations in a timely manner or at all;
7. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Changes in laws and regulations relating to the industries in which we operate;
10. Effect of lack of infrastructure facilities on our business;
11. Increase in prices of Raw Materials;
12. Occurrence of Environmental Problems & Uninsured Losses;
13. Intensified competition in industries/sector in which we operate;
14. Our ability to successfully implement our growth strategy and expansion plans;
15. Our ability to attract, retain and manage qualified personnel;
16. Failure to adapt to the changing technology in our clock industry of operation may adversely affect our business and financial condition;
17. 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;
18. Conflicts of interest with affiliated companies, the promoter group and other related parties;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters.

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 14, 88 and 189 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.

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 financial risk. Prospective investors should carefully consider all the information in the Draft Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 136, 88 and 189 respectively of this Draft Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Prospectus 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. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. 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.

### **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 14 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 189 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Audited Financial Statements, as restated” prepared in accordance with the Indian Accounting Standards

1. **There are certain outstanding legal proceedings involving Our Company and Our Directors. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition and result of ongoing operations and reputation.**

Our Company & Directors are involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled “**Outstanding Litigation and Material Developments**” at page 201 of this Draft Prospectus. A brief detail of such outstanding litigations as on the date of this Draft Prospectus are as follows:



**Litigations/Matters against our Company:-**

Nature of Cases	No. of Outstanding Cases	Amount Involved (Rs. in ₹ Lacs)
Direct tax Liabilities	3	16.47
Indirect tax Liabilities	2	29.08
Criminal Laws	1	Not determined*

\*For details, please refer to the Chapter titled “Outstanding Litigation and Material Developments” on page 201 of this Draft Prospectus.

**Litigation/Matters filed by our Company:-**

Nature of Cases	No. of Outstanding Cases	Amount Involved (Rs. in ₹ Lacs)
Indirect tax Liabilities	2	130.30

**Litigation/Matters against our Directors:-**

Nature of Cases	No. of Outstanding Cases	Amount Involved (Rs. in ₹ Lacs)
Criminal Laws (Motor Vehicles Act, 1988)	2	Not determined

For further details of Statutory or legal proceedings involving our Company and Promoters, please refer to the chapter titled “*Outstanding Litigation and Material Developments*” on page 201 of this Draft Prospectus.

2. ***Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have a material adverse effect on our business & operations.***

We require various statutory and regulatory licenses, permits and approvals to operate our business. We need to make compliance and applications at appropriate stages of our business to continue our operations. 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 any default by our Company in complying with the same may result in the cancellation of such licenses, approvals or registrations which may adversely affect our operations and financial strength.

Our Company has made an application for renewal of factory licence and has paid the requisite fees for renewal upto F.Y. 2018-19, but we are yet to receive the renewed factory licence from the concerned authority. Further, Our Company has relied on the ESIC Notice dtd. 04-08-2011 which was published in local newspaper, where the village Lajai has not been covered under the ESIC applicability. Also, we have not taken consent from Gujarat Pollution Control Board as in our opinion the same is not applicable on our industry. Although, we have not received any notice from ESIC or GPCB for registration, however, if the concerned regulations become applicable on us or the concerned authorities take cognizance of non registration, then our Company may be subjected to penalties or additional liabilities and we will be required to fulfil all the compliances as stated in ESI Act, 1948, Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and other relevant rules and Acts, which will have an impact on our financial position. Also, we have to apply for change in name in all registrations and approvals which are in previous name of our Company i.e. Sonam Clock Private Limited.

Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses or registrations, which may adversely affect our operations. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

We believe that we have complied considerably with such laws and regulations, as are applicable to us 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, and other civil or criminal proceedings.

For further details, please refer to section titled “*Government and Other Approvals*” beginning on page 206 of the Draft Prospectus

3. ***Our company has not complied with some statutory provisions of the Companies Act. Such non-compliance may attract penalties against our Company which could impact the financial position of us to that extent.***

Our Company has not complied with few statutory provisions under the Companies Act 1956 /2013, like as per Section 203 of the Companies Act, 2013 read with Rule 8 & 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, we were required to appoint Company Secretary in our Company on or before September 20, 2016, but due to non availability of suitable candidate, our Company has made such appointment on November 06, 2017. Further, our company has accepted an unsecured loan of Rs. 1.5 lakhs during the old regime of Companies Act, 1956 from the wife of director' brother which was well within the purview of deposit rules at respective time of acceptance. However, post the applicability of Section 73 of the Companies Act, 2013, the said loan was required to be repaid which was not done by our Company due to the stipulation of loan sanctioned by our bank to maintain unsecured loan, but such loan have been now repaid, and there are no such unsecured loan outstanding as on Feb. 28, 2018 which are falling outside the exemption from deposits provided under the Companies (Acceptance of Deposit) Rules, 2014.

Further, there are few discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies, which inter-alia includes Annual Returns filed by our Company for F.Y. 2001-02 & 2002-03 in respect of some errors inadvertently made by Company in disclosure of share holding details of the shareholders, which was rectified in ensuing years. Also, there are certain cases where some of forms has been filed belatedly in Registrar of Companies for which requisite delayed fees was paid by the Company. Additionally, certain corrections were required in the audited financials of our Company with respect to compliance with some Accounting Standards such as AS-2, AS-6, AS-11, AS-15 & AS-18, which has now been carried in restated financial statements of the Company and also necessary rectifications has been made in Audited Financial Statements for the period ended Dec.'17.

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.

**4. *Quality of product is very important in our industry and the success of our company is dependent on the quality of our product and any failure to maintain the quality of our products may have an adverse affect on our reputation and business.***

We believe that our success is dependent on quality of our products. Our quality control department ensures quality control at every stage of production, packaging and dispatch. We are also required to follow the proper control during our manufacturing process. We believe that we have built strong relationships with our customers due to the quality of our products which has translated into operational growth. In the event we are unable to maintain our quality, for any reason whatsoever, our business, reputation and results of operations would be adversely affected.

**5. *Our product is subject to frequently changing customer preferences, tastes and fashion, the designs and patterns of our products are based on market trends, our inability to meet such needs or requirements may affect our business.***

The designs and patterns of clocks change frequently based on the changing customer preferences, tastes, fashion and trends. Our products thus become vulnerable to changing market demand. Inability in successfully predicting changing customer trends could lead to obsolescence in inventory of our products which may turn into dead stock. Our inability on our part to understand the prevailing trends or our inability to forecast changes as per latest fashion or understand the needs of our customers in this industry well in time may affect our growth prospects.

**6. *Our Company is subject to risk resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.***

During the F.Y. 2016-17 and F.Y. 2015-16, our export sales contributed to approximately Rs. 15.18 crores & Rs. 17.56 crores constituting 40.03%, and 51.62% of our total net sales in the respective years. Any unfavorable change in currency exchange rates can influence our Company's results of operations. Some of our expenses are also denominated in foreign currency. In addition, depreciation of the Indian Rupee against the other foreign currencies may adversely affect our results of operations by increasing the cost of financing. Thus, any adverse fluctuations in the value of the Indian Rupee against the relevant foreign currencies could affect our result of operation and financials.

**7. *Any fluctuations in prices of raw materials or shortage in supply of raw material for manufacturing our products, could adversely impact our business.***

Our Company is dependent mainly on the various raw materials and packaging materials required for the manufacturing of our products. Thus, we are exposed to risk of upward fluctuations in the prices of various raw materials and packing materials and their

availability. Also, we have not entered into any supply agreements with our suppliers and all raw materials are bought by our Company from various suppliers on order to order basis. Any upward fluctuation in the prices of the major raw materials or shortage in supply of any major raw material would result in increase of cost of production which may adversely impact the business and profitability of the Company. In case we are not able to pass on any such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

**8. *Our Company has during the preceding one year from the date of the Draft Prospectus have allotted Equity Shares at a price which is lower than the Issue Price.***

In the last 12 months, we have made allotments of Equity Shares through bonus issue of shares to the shareholders, which is given without any consideration to the shareholders. For details relating to number of shares issued, date of allotment etc. please refer to section titled “*Capital Structure*” on page 58 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.

**9. *Obsolescence, destruction, theft, breakdowns of our major plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations***

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may adversely affect our business, cash flows, financial condition and results of operations. For further details of our Plant and Machineries, please refer to chapter titled “*Our Business*” beginning on page 88 of the Draft Prospectus.

**10. *Introduction of alternative technology in manufacturing may reduce demand for our existing products and may adversely affect our profitability and business prospects***

Our competitors may decide to seek alternative technology coupled with the development of more alternatives, which may adversely affect our business and profitability if we are not able to respond to these changes. Our ability to anticipate changes in technology and to develop and introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance and delays in product development. Any failure on our part to forecast and / or meet the changing demands will have an adverse effect on our business, profitability and growth prospects.

**11. *The business segment in which we operate is highly competitive, which may adversely affect our business operation and financial condition.***

Players in clock manufacturing business generally competes with each other on attributes such as quality of product, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. 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.

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

Our company has obtained insurance coverage in respect of certain risks which consists of Fire & Special Peril Policy, Workman Compensation Policy and vehicle insurance. However, we have not taken any insurance policy for machinery breakdown, cash in transit and burglary. If any uncertainty arises including losses arising on account of third party claims or if claim made by us in respect of an insurance, is not accepted or any loss occurred by us is in excess of the insurance coverage, the same may adversely affect our operation, results and financials. If our arrangements for insurance or indemnification are not adequate to cover claims,

we may be required to make substantial payments and our results of operations and financial condition may be affected. For further information, see the section titled **“Our Business”** on page 88 of this Draft Prospectus.

**13. We have not entered into any long-term contracts with any of our customers and typically operate on the basis of purchase orders, which could adversely impact our revenues and profitability.**

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

**14. Our Company has purchased agricultural land adjacent to our manufacturing facility and has obtained permission from Deputy Collector, Morbi to use such land for industrial purpose on fulfillment of certain conditions, which if not fulfilled can lead us to vacate such land.**

Our Company has purchased agricultural land in Feb.'18 admeasuring 2.40 acres at Survey No. 338, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat, which is adjacent to the existing manufacturing facility and has obtained permission from the Deputy Collector, Morbi to use such land for industrial purpose on fulfillment of certain conditions, which inter alia includes a condition to commence industrial operations on the said land within a period of three years from date of acquisition of land, and our failure to fulfill this condition can lead us to vacate such land under Section 75 of Saurashtra Gharkhed Ordinance 1949 summarily without any compensation or consideration against such eviction, which can adversely affect our business, financial conditions and result of operations. For further details, please refer to section titled **“Immovable Properties”** beginning on page 100 of this Draft Prospectus.

**15. Our Company has not entered into any supply agreement for the major raw materials required for manufacturing of our products and are exposed to risks relating to fluctuation in global commodity prices and shortage of raw material.**

The major raw materials used in manufacturing of clocks are plastic granules, glass, battery cells, hands etc. Our top ten suppliers for F.Y. 2016-17 constitute approx. 80% of our total purchase of F.Y. 2016-17. We do not have any long-term supply contracts with respect to raw material used in the manufacture of our products. While we are not significantly dependent on any single manufacturer of such raw material, but raw material costs are dependent on global commodity prices, which are subject to fluctuation. In the event the prices of such raw materials were to rise substantially or if imports were to be restricted in any manner, we may find it difficult to find alternative suppliers for our raw materials, on terms acceptable to us, and our business, results of operations and financial condition could be adversely affected.

Our suppliers may not be able to supply us raw materials without any interruption, or may not comply with their obligations to us under our purchase agreements, if any. We may not have adequate remedies for any breach and their failure to supply us could result in a shortage of raw materials. If one of our suppliers fails or refuses to supply us for any reason, it would take a significant amount of time and expense to identify a new supplier or manufacturer. We may not be able to obtain raw material from new suppliers on acceptable terms and at reasonable prices, or at all.

**16. We do not own the land at which our registered office and manufacturing facility is situated, from which we carry out our business activities. Any dispute in relation to use of the land would have a material adverse effect on our business and results of operations.**

We do not own the land at which our registered office and manufacturing facility is situated from which we carry out our business activities. The said land is taken on lease from our Promoter Directors, Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah vide lease deeds dated August 14, 2002 and revised lease deeds dated July 14, 2005 for a period of 99 years i.e. till March 31, 2101. As per the lease deeds, any breach of the terms / non renewal of the lease deeds may require us to vacate the said premises which may cause serious disruption in our manufacturing operations, corporate affairs and business and impede our effective operations and thus adversely affect our business and profitability. For further details regarding the immovable properties, please refer to chapter titled **“Our Business”** on page 88 of this Draft Prospectus.

**17. Some of the vehicles appearing in our books of accounts are not registered in the name of Our Company.**

Some of the vehicles recorded in our books of accounts having gross book value of approx. Rs. 47.36 lacs and used by us for business purpose are legally registered in the name of our Promoters Mr. Jayeshbhai Chhabildas Shah & Mrs. Deepaben Jayeshbhai Shah and our Company is the beneficial owner of such vehicles. Further, Our Company has an outstanding loan of Rs. 18.85 lacs as

on February 28, 2018 on such vehicles. In case of any dispute arise in future regarding ownership or usage of such vehicles, we may not be able to effectively establish ownership of such vehicles, which may affect our financial condition and results of operations.

**18. We depend on third parties for a major portion of our transportation needs. Any disruptions may affect our operations, business and financial condition.**

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of raw material from our suppliers and for transportation of our finished products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods

**19. A portion of the Net Proceeds from the Issue will be used to repay a loan from our Promoter.**

We will use Rs. 200.00 lacs of the Net Proceeds from the Issue to repay a loan made to us by our Promoters, Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah, outstanding aggregating to Rs. 201.26 lacs as on February 28, 2018. Thus, the portion of the Net Proceeds to repay a portion of the loan outstanding with our Promoters will not be available for other purposes. These loans were taken by us for meeting working capital requirement and other business purpose. For further details, see “Objects of the Issue” on page 68 of this Draft Prospectus.

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

Our Company is engaged in business of manufacturing of Clocks and its related parts, which attracts tax liability such as Goods and Service tax, Income tax, and professional tax as per the applicable provisions of Law. In the past, Our Company has been subject to Income Tax survey proceedings in September, 2015, wherein certain income was disclosed by us on which income tax was paid by us. For details, please refer to Note 17(I)(1)(F) of Annexure IV of Restated Financial Statements beginning on page 153 of this Draft Prospectus. We are also subject to the labour laws like depositing of contributions with Provident Fund. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

**21. Our Contingent Liability and Commitments could affect our financial position.**

As on December 31, 2017 we had Contingent Liability of Rs. 165.32 lakhs which has not been provided in our financial statements and which could affect our financial position. Details of such contingent Liabilities and commitments are as follows:-

Particulars	Amt. (Rs. in lakhs)
Central Excise and Custom Matters	35.01
Value Added Tax (VAT) Matters	130.31
<b>Total</b>	<b>165.32</b>

For further details on the same please refer “Annexure Y” under section “Financial Information of the Company” and Outstanding Litigations and Material Developments beginning on page 136 and 201 of Draft Prospectus.

**22. Our net cash flows from investing and financing activities have been negative in some years in the past. Any negative cash flow in the future may affect our liquidity and financial condition.**

Our cash flow from our investing and financing activities have been negative in the past. Following are the details of our cash flow position during the last five financial years based on standalone restated financial statements are:-

Particulars	For the year ended (in ₹ Lakhs)					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Net cash flow from/ (used in) Investing activities</b>	(72.43)	(150.88)	(261.12)	(63.50)	(192.27)	(173.37)
<b>Net cash flow from/ (used in) Financing activities</b>	(189.76)	(130.65)	(211.95)	(76.87)	46.05	(155.20)

For details, please see the chapter titled **“Financial Information of Our Company”** on page 136 of this Draft Prospectus. Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.


**23. Our Promoters, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.**

Our Promoters, Directors and Key Management Personnel can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced, lease rent for properties given on rent by them to the Company and personal guarantee, provided by them for the Company, and benefits deriving from the directorship in our Company. Our Promoters are interested in the transactions entered into our Company and our Promoter Group. For further information, please refer to the chapters/section titled **“Our Business”**, **“Our Promoter and Promoter Group”** and **“Related Party Transactions”**, beginning on pages 88, 127 and 179 respectively of this Draft Prospectus.

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

Our Promoter Group Entity & Group Company namely, Sonam Tradelink LLP is engaged in the trading business of clock and clock movements, which to an extent, can be considered as common pursuits & conflict of interest amongst Our Company and Sonam Tradelink LLP. We have not entered into any non-compete agreement with Sonam Tradelink LLP. We cannot assure that our Promoter who has 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 Promoter Group entities/Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other entities in which our Promoter has interests. There can be no assurance that our Promoter or our Promoter Group entities 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 Chapter titled **“Our Group Company”** beginning on page 132 of this Draft Prospectus.

**25. Certain trademarks used by our Company are registered in the name of our Promoter, Mr. Jayeshbhai Chhabildas Shah and our Promoter Group Member, Mr. Harshil Jayeshbhai Shah and we have not entered into any exclusive agreement for usage of the trademarks.**

There are certain trademarks used by our Company which are registered in the name of our Promoter, Mr. Jayeshbhai Chhabildas Shah and our Promoter Group Member, Mr. Harshil Jayeshbhai Shah i.e.  and **757**. However, majority of the trademarks used by our Company are registered in the name of our Company.

Although, we have obtained permission from the aforementioned persons to use the said trademarks without payment of any consideration, however we have not entered into exclusive registered agreements for use of the said trademarks. In the event, the promoters decide to use the trademark for any other product or industry or in case of withdrawal of permission by the respective owner to use the said trademark, we may not be able to use the said trademarks for the future period which may cause damages to our business prospects, reputation and goodwill. For details, relating to the trademarks used by us, please refer to Section **“Intellectual Property Rights”** in the Chapter titled **“Our Business”** beginning on page 88 of this Draft Prospectus.

**26. We have substantial working capital requirements and may require additional financing to meet working capital requirements in the future. A failure in obtaining such additional financing at all or on terms favorable to us could have an adverse effect on our results of operations and financial condition.**

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. As on February 28, 2018, we have been sanctioned working capital of ₹ 1250 lakhs from Bank of India Limited. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any

such defaults from our debtors, may affect our business operations and financials.

For further details regarding working capital requirement, please refer to the section “*Objects of the Issue*” on page 68 of this Prospectus.

***27. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may 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 has entered into various transactions with our Directors, Promoters, Promoter Group, Group Companies and entities significantly influenced by the Directors of the Company. These transactions, inter-alia includes issue of shares, remuneration, sales, purchase, rent payments, 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. Additionally, while it is our belief that all our related party transactions have been conducted on an arm’s length basis, we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third 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, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to “Annexure Z” on “Related Party Transactions” of the Chapter titled “*Financial Information of the Company*” and Chapter titled “*Capital Structure*” beginning on page 136 and 48 respectively of this Draft Prospectus.

***28. Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.***

Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Though we have not faced any labour problem in the past we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse effect on our business, and results of operations.

***29. We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations***

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on February 28, 2018, our total outstanding indebtedness was ₹ 1862.51 lakhs.

Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Statement of Financial Indebtedness*” on page 186 of this Draft Prospectus.

***30. Loans availed by Our Company has been secured on personal guarantees of our Directors. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Directors.***

Our Directors, Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah has provided personal guarantees to secure a significant portion of our existing borrowings taken from Bank of India Limited, and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Director may be invoked which could negatively impact the reputation and net worth of our Directors. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial

condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Statement of Financial Indebtedness*” on page 186 of this Draft Prospectus.

***31. Our present manufacturing operations are geographically located in one area and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Gujarat could have material adverse effect on our business and financial condition.***

Our manufacturing facility is based at Morbi, Gujarat. As a result, any localized social unrest, natural disaster, adverse weather conditions, earthquakes, fires, explosives, power loss, or breakdown of services and utilities in and around Gujarat could have material adverse effect on our business, financial position and results of operations. Further, any failure of our systems or any shutdown of any part of our manufacturing units, networks, operations because of operational disruptions, natural disaster or other factors, could disrupt our services and adversely affect our result of operations and financial condition.

***32. Any delay in production at, or shutdown of, any of our manufacturing facilities, could adversely affect our business, results of operations and financial condition.***

The success of our manufacturing activities depends on, among others, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities could delay production or require us to shut down the affected manufacturing facility, which could adversely affect our finance and operations. Further our manufacturing facility is located in Morbi, Gujarat, any disruption in the location where our manufacturing facility is situated may also have an adverse impact on our operations.

***33. We are heavily dependent on our Promoters and Key Managerial 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 managerial personnel, along with support of our Promoter. We also depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our Promoter and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. 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 Directors and key managerial personnel, please refer to Section “*Our Management*” on page 114 of this Draft Prospectus.

***34. Excessive dependence on Bank of India Limited for obtaining financial facilities.***

Most of our fund based and non fund based financial assistance has been sanctioned by Bank of India Limited. We have been sanctioned the financial assistance on the security of assets and personal guarantee of our Directors. Any default under such arrangement or non renewal or renewal of the sanction on adverse term with such lender may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials.

Also we have provided the collateral security of some of our portion of our factory land for the above loan taken from Bank of India Limited. Any impairment in the right to use the above property may require us to arrange for the additional security or arranging the funds for the pre-payment which may adversely affect the financial position of our Company.

For further details on the Term Loans, Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 186 of the Draft Prospectus.

***35. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement for our expansion plan, as detailed in the section titled “*Objects of the Issue*” is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*” beginning on page 68 of this Draft Prospectus.



**36. We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.**

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the Term Loans, Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 186 of the Draft Prospectus.

**37. We may not be able to sustain effective implementation of our business and growth strategy.**

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

**38. Delays or defaults in client payments could affect our operations.**

We may be subject to working capital risks due to delays or defaults in payment by clients from India, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. We typically extend credit terms to our large institutional and other customers. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations

**39. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.**

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**40. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.**

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials as well as assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Prospectus. For further information, see the section titled “*Our Business*” on page 88 of this Draft Prospectus.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our 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 requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section **“Dividend Policy”** on page 135 of the Draft Prospectus.

**42. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.**

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**43. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.**

Our promoters along with the promoter group will continue to hold collectively almost 71.94% of the equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**44. 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.**

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity

Shares after the Issue. For further information please refer the section titled “*Basis for Issue Price*” beginning on page 74 of the Draft Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

***46. Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI ICDR Regulations, Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant’s ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

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

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

**EXTERNAL RISK FACTORS**

***48. Our business is dependent on the Indian economy.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India’s economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

***49. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

***50. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and***

*regulations, may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter **“Government and Other Approvals”** on page 206 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government 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. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

**51. Instability in financial markets could materially and adversely affect our results of operations and financial condition.**

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE’s benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

**52. Natural calamities could have a negative impact on the Indian economy and cause Our Company’s business to suffer.**

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

**53. 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, transfer of shares between non residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

**54. If certain labour laws become applicable to us, our profitability may be adversely affected.**

India has stringent 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. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

**55. 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 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.

### **Prominent Notes:**

1. Public Issue of 28,08,000 Equity Shares of Face Value of ₹ 10/- each of Sonam Clock Limited ("SCL" or "Our Company" or "The Issuer") for Cash at a Price of ₹ [●] Per Equity Share (Including a Share Premium of ₹ [●] per Equity Share) ("Issue Price") aggregating to ₹ [●] Lacs, of which 1,44,000 Equity Shares of Face Value of ₹10/- each at a price of ₹ [●] each aggregating to ₹ [●] Lacs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and Net Issue to Public of 26,64,000 Equity Shares of Face Value of Rs. 10/- each at a price of ₹ [●] each aggregating to ₹ [●] Lacs (hereinafter referred to as the "Net Issue") The Issue and the Net Issue will constitute 28.06% and 26.62% respectively of the Post Issue paid up Equity Share Capital of Our Company.
2. This Issue is being made for at least 25 % of the post- issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; and
  - b) Remaining to
    - (i) Individual applicants other than retail individual investors; and
    - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

3. The Net worth of our Company based on Restated Financial Statements as on December 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 was Rs. 1160.60 lacs, Rs. 934.70 lacs, Rs. 854.00 lacs and Rs. 585.89 lacs respectively. For more information, see the section titled "**Financial Information of the Company**" beginning on page 136 of this Draft Prospectus.
4. The NAV / Book Value per Equity Share of our Company (based on weighted average number of shares), as per Restated Financial Statements as on December 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 was Rs. 16.12, Rs. 12.98, Rs. 11.86 and Rs. 8.14 per equity share respectively. For more information, see the section titled "**Financial Information of the Company**" beginning on page 136 of this Draft Prospectus.
5. The average cost of acquisition of Equity Shares by our Promoters is set out below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Jayeshbhai Chhabildas Shah	62,39,200	2.43

2.	Mrs. Deepaben Jayeshbhai Shah	4,80,000	2.50
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For Further details, please refer to “**Capital Structure**” on page 48 of this Draft Prospectus.

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 Z - Statement of Related Parties Transactions**”, on page 179 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 Z- Statement of Related Parties Transactions, as Restated**”, “**Capital Structure**”, “**Our Group Company**” on pages 179, 48 and 132 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 “Sonam Clock Private Limited” on June 21, 2001 vide Registration no. 039689/2001-2002 (CIN: U33302GJ2001PTC39689) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 29, 2018, our company was converted into a Public Limited Company and consequently the name of our Company was changed from “Sonam Clock Private Limited” to “Sonam Clock Limited” vide a fresh Certificate of Incorporation dated February 07, 2018 issued by the Registrar of Companies, Ahmedabad, Gujarat. The present Corporate Identification Number of our Company is U33302GJ2001PLC039689.  
  
For Further details, please refer to Section titled “**History and Certain Corporate Matters**” on page 110 of this draft Prospectus.
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 74 of this Draft Prospectus.
12. The Lead Manager and our Company shall update this 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 263 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 as disclosed under “**Annexure Z – Related Party Transactions**” beginning on page 179 of this Draft Prospectus, remuneration, interest on loan, rent payments 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 114 and chapter titled “**Our Promoter & Promoter Group**” beginning at page 127 and chapter titled “**Financial Information of the Company**” beginning at page 136 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 136 of this Draft Prospectus.
17. Trading in the Equity Shares for all investors shall be in dematerialized form only.

- 18.** Except as disclosed in Objects of Issue beginning on page 68 of this Draft Prospectus, 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 110 of this Draft Prospectus.

## SECTION – III – INTRODUCTION

### SUMMARY OF OUR INDUSTRY

#### **Global Scenario:**

The global economy is experiencing a cyclical recovery, reflecting a rebound in investment, manufacturing activity, and trade. This improvement comes against the backdrop of benign global financing conditions, generally accommodative policies, rising confidence, and firming commodity prices. Global GDP growth is estimated to have picked up from 2.4 percent in 2016 to 3 percent in 2017, above the June forecast of 2.7 percent (Figure 1.1). The upturn is broadbased, with growth increasing in more than half of the world's economies. In particular, the rebound in global investment growth—which accounted for three quarters of the acceleration in global GDP growth from 2016 to 2017—was supported by favorable financing costs, rising profits, and improved business sentiment across both advanced economies and emerging market and developing economies (EMDEs). This synchronous, investment-led recovery is providing a substantial boost to global exports and imports in the near term.

In advanced economies, growth in 2017 is estimated to have rebounded to 2.3 percent, driven by a pickup in capital spending, a turnaround in inventories, and strengthening external demand. While growth accelerated in all major economies, the improvement was markedly stronger than expected in the Euro Area.

Growth among EMDEs is estimated to have accelerated to 4.3 percent in 2017, reflecting firming activity in commodity exporters and continued solid growth in commodity importers. Most EMDE regions benefited from a recovery in exports. The improvement in economic activity among commodity exporters took place as key economies—such as Brazil and the Russian Federation—emerged from recession, prices of most commodities rose, confidence improved, the drag from earlier policy tightening diminished, and investment growth bottomed out after a prolonged period of weakness. Nonetheless, the estimated pace of growth in commodity exporters in 2017, at 1.8 percent, was still subdued and not enough to improve average per capita incomes, which continued to stagnate after two consecutive years of contraction.

Global growth is projected to edge up to 3.1 percent in 2018, as the cyclical momentum continues, and then slightly moderate to an average of 3 percent in 2019-20.

*(Source: Global Economic Prospects, January 2018: Broad-Based Upturn, but for How Long? Advance edition. Washington, DC: World Bank)*

#### **Indian Economic Overview:**

A favorable monsoon generated tailwinds to India's domestically-driven expansion. The Gross Domestic Product (GDP) expanded by 7.9 percent in FY16, the fastest pace in 5 years, supported by investment and urban consumption. The normal monsoon in FY17 boosted agriculture and rural consumption, while urban consumption remained robust. Despite renewed weakness in private investment and limited lift from external demand, India was poised to continue growing robustly in FY17 until "demonetization" dented growth, albeit moderately, causing immediate cash crunch, and affecting activity in cash reliant sectors. The cash crunch affected activity in cash reliant sectors and GDP growth slowed to 7.0 percent y/y during Q3 FY17, from 7.3 percent during H1 FY17. Such a modest slowdown can be explained by: (i) coping mechanisms (e.g. informal credit); (ii) higher rural wages and public consumption; and (iii) higher reported sales to legitimize holdings of old currency and use of formal-sector indicators to measure informal activity, which exacerbated measured growth. The central government met its commitment to fiscal consolidation, but states increased spending and borrowing. The central government expects to meet its fiscal deficit target of 3.5 percent of GDP in FY17 as tax collection remained robust. The fiscal stance of the general government (center and states) is less clear as fiscal reporting by states, which have been undertaking a growing share of expenditure, is less reliable. There are indications, however, that state-level deficits have been on an increasing trend. External accounts remain robust. Exports contracted for five consecutive quarters, but turned positive in the second half of FY17, supported largely by higher prices and improvements in global trade, contributing to containing the current account deficit. Capital inflows accelerated, reflecting in part reforms in foreign direct investment (FDI) policies and in part global appetite for Indian equities. Consequently, foreign reserves rose to \$360bn, worth nearly nine months of imports.

Demonetization affected poor and vulnerable households, in all likelihood having an impact on construction and informal retail, where many poor and vulnerable individuals work. While limited data is available, there has been an increase in demand for guaranteed employment (up to February 2017 demand exceeded the full year FY16 level), and indicators of rural consumption (in particular, sales of two-wheelers) contracted sharply in November, before recovering. Economic activity ought to accelerate in



FY18. GDP is projected to grow at 7.2 percent from 6.8 percent in FY17. The revision in forecasts reflects a combination of the impact of demonetization and an investment recovery that has proven more protracted than expected. Growth increases gradually to 7.7 percent by FY20, underpinned by recovery in private investments, which are “crowded-in” by the recent increase in public capital expenditure and improvement in investment climate. India’s fiscal, inflation and external conditions are expected to remain stable. The center will continue to consolidate modestly in FY18, while retaining the push towards infrastructure spending. Inflation will stabilize, supported by stable weather and structural reforms. A normal monsoon has offset increases in petroleum prices, the government amended the RBI Act to reflect a (central) inflation target of 4 percent and established a Monetary Policy Committee (MPC), boosting the credibility of the central bank. The exchange rate has appreciated, partly reflecting expectations of a narrowing inflation gap between India and the USA and limited external vulnerability as the current account deficit is expected to remain below 2 percent of GDP and fully financed by FDI inflows.

There are significant risks to India’s favorable growth outlook. First, continued uncertainties in the global environment, including rising global protectionism and a renewed slowdown in the Chinese economy, could further delay a meaningful recovery of external demand. Second, private investment continues to face several impediments in the form of corporate debt overhang, stress in the financial sector, where NPAs continue to increase, excess capacity and regulatory and policy challenges. Subdued private investment would put downside pressures on India’s potential growth. Finally, further rapid increases in oil and other commodity prices could lead to a negative terms-of-trade shock. On the other hand, smooth implementation of the Goods and Services Tax (GST) and faster resolution of banking sector stress could prove to be an upside risk to economic activity.

(Source: - <http://documents.worldbank.org/curated/en/107761495798437741/pdf/115297-WP-P146674-PUBLIC.pdf>)

### **Clock Industry in India**

With the concentration of Clock industry at Morbi and to some extent at Rajkot in Gujarat, and some makers/assemblers based in Delhi and other parts of India, this industry has over time grown into a full-fledged activity. Presently, there are about 18-20 brands in India, involved in regular clock manufacturing, assembling and marketing activity on a national and international level, and are assisted with a countrywide network, who have turned into popular household names, with Morbi, being the hub for manufacture of essential components required for clocks such as cabinets, dials and hands, even though, there are some vital components like IC quartz crystals (Integrated Circuit) for clock movements, which have to be procured through imports from other countries, as India still does not manufacture these domestically.

The large players in the industry such as Ajanta India Ltd., Ajanta Mfg. (Oreva Group), Sonam Clock Ltd, Rikon Clocks Manufacturing Co. produce approx. 15 million clocks per annum. The small units in the industry make contribution of approx. 15 million clocks per annum, thereby making total production in the industry of 30 million clocks per annum. The variety of clocks manufactured in India includes: Wall Clocks (striking and non striking), Digital Clocks, Table Clocks, Alarm Timepieces, Industrial Clocks, Grandfather Clocks & Tower Clocks. And, all these are made domestically within India. Seeing the potential that India offers for clocks, many international brands too, like Seiko, Rhythm, Casio, Q&Q & Kairos among others, have also forayed into India to market their products and are quite successful in selling their products.

The recently announced Customs Duty on Imported clocks as well as other new regulatory impositions by the Government, such as introduction of GST and the likely to be announced E-way bill, will help a great deal in pushing the “make in India” concept as well as eliminating from the scene those businesses that were operating nefariously by evading payment of taxes. This will help the Organised Players grow their businesses and progressively move forward.

(Source: *Tradepost – The international Watch & Clock Magazine*)

## SUMMARY OF OUR BUSINESS

The following information should be read together with, the more detailed financial and other information included in the 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 14, 189 and 136 respectively.

### OVERVIEW

Incorporated in 2001, we are a clock manufacturing Company situated in Morbi, Gujarat. We offer a wide range of table and wall clocks at various price points across budget, mid-level and premium styles. As on February’18, we are offering clocks from a price range of ₹100 to ₹1800 which includes LED digital clocks, LCD clocks, light sensor clocks, pendulum clocks, musical clocks, rotating pendulum musical clocks, sweep clocks, office clocks, designer clocks, alarm clocks, table clocks and regular clocks. We also offer customized corporate clocks in bulk quantities for corporate gifting purpose.

Our products are sold mainly to clock dealers, retailers, corporates, gifts and novelties stores, through which it reaches to end consumers. Our products are sold under the brand name of Sonam, ampm and Lotus. In F.Y. 2016-17, our net revenue from operations comprised of Rs. 3792.85 lakhs of which approximately 40% comprised of export sales to Middle - East countries such as Dubai and Iraq. Our Manufacturing facility is located in Morbi, Gujarat and has present installed production capacity of approximately 72 lakhs p.a. for clocks and 240 lakhs p.a. for clock movements. A Clock movement, also known as caliber, is an internal mechanical part of the clock, which drives hour, minute and second hands of clock in motion. We are also engaged in sale of clock parts which includes clock movements, clock cases etc.

We are ISO 9001:2008 accredited Company and we have grown many folds during the past decade under the leadership and guidance of our Promoter, Chairman and Managing Director, Mr. Jayeshbhai Chhabildas Shah, who has an experience of over 30 years in the field of clock industry. His expertise and experience has been instrumental in the growth of our business.

As per restated financial statements for the period ended on December 31, 2017 and fiscal year ended on March 31, 2017, March 31, 2016 and March 31, 2015, the total revenue of our Company stood at Rs. 3861.88 lakhs, Rs. 3903.16 lakhs, Rs. 3682.35 lakhs and Rs. 3405.67 lakhs respectively. Further, our PAT for the period ended on December 31, 2017 and fiscal year ended on March 31, 2017, March 31, 2016 and March 31, 2015 stood at Rs. 225.90 lakhs, Rs.80.70 lakhs, Rs. 268.11 lakhs and Rs. 40.99 lakhs respectively.

### OUR PRODUCTS

The clocks manufactured by us are marketed and sold under our brand names of “Sonam”, “Lotus” and “ampm”. Our range of clocks can be broadly classified into following categories:-

S. No.	Category	Specifications
1	Rotating Pendulum Musical Clock	- Price range Rs. 740 to 1440 - Melodious Tunes - 360° Rotating Pendulum - Standard Size: 490 x 285 mm
2	Pendulum Musical Clock	- Price range Rs. 695 to 1035 - Melodious Tunes - Swinging Pendulum - Standard Size: 500 x 290 mm
3	Rotating Musical Clock	- Price range Rs. 740 to 855 - Melodious Tunes - Standard Size: 430 x 290 mm
4	Pendulum Clock	- Price range Rs. 340 to 585 - Swinging Pendulum - Standard Size: 375 x 310 mm
5	Musical Clock	- Price range Rs. 495 to 565 - Melodious Tunes - Standard Size: 338 x 298 mm
6	Divine Clock (with/ without tune)	- Price range Rs. 450 to 495 - Standard Size: 340 x 268 mm

7	Light Sensor Clock	- Price range Rs. 675 - Standard Size: 360 x 360 mm
8	LCD Clock	- Price range Rs. 945 to 1440 - Standard Size: 445 x 445 mm
9	LED Digital Clock	- Price range Rs. 855 to 1980 - Standard Size: 295 x 395 mm
10	Table Clock	- Price Rs. 540 - Standard Size: 280 x 220 mm
11	Sweep Clock	- Price range Rs. 270 to 1260 - Standard Size: 510 x 510 mm
12	Sweep Office Clock	- Price range Rs. 360 to 1665 - Standard Size: 610 x 610 mm
13	Office Clock	- Price range Rs. 315 to Rs. 1080 - Standard Size: 400 x 400 mm
14	Night Glow Clock	- Price range Rs. 360 to 450 - Standard Size: 320 x 317 mm
15	Designer Clocks	- Price range Rs. 290 to 810 - Standard Size: 515 x 330 mm
16	Classy Dial Clock	- Price range Rs. 125 to 360 - Standard Size: 275 x 275 mm
17	Regular Clock	- Price range Rs. 205 to 765 - Standard Size: 355 x 355 mm
18	Diamond Series Clock	- Price range Rs. 250 to 270 - Standard Size:- 290 x 290 mm
19	Picture Dial Clock	- Price range Rs. 180 to 360 - Standard Size: 320 x 320 mm
20	Economy Clock	- Price range Rs. 135 to 210 - Standard Size: 260 x 260 mm
21	Alarm Timepiece	- Price range Rs. 105 to 425 - Standard Size: 95 x 127 mm
22	Corporate Clock	- Price as per order requirement of Customer. - Standard Size: 413 x 413 mm

## OUR LOCATION

<b>Registered Office &amp; Factory</b>	Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India
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## OUR COMPETITIVE STRENGTHS

### 1. Strategic location of manufacturing unit

Our manufacturing facility is located in Morbi, Gujarat which is considered as manufacturing hub of clocks in India. Being strategically located in Morbi, we get easy access to skilled labors having experience in clock industry as well as local raw material supplies. Morbi is connected to National Highway (NH – 8A), which connects Morbi and various major cities of Gujarat State. Further, the distance between Morbi and Mundra port is 200 kms, which facilitates ease in import and export. Also, Morbi is well connected with roadways. Due to aforesaid reasons, we believe that the location of our manufacturing unit brings cost efficiencies in procurement of manpower and local raw material and also reduce logistic cost which helps us to achieve economies of scale.

### 2. Facility for in-house production of clock movements

We have in house Manufacturing facility for production of clock movement, which is an integral part of the Clock. A Clock movement, also known as caliber, is an internal mechanical part of the clock, which drives hour, minute and second hands of clock in motion. The in house production of clock movement enables us to achieve an edge over our competitors which rely on outside parties for supply of clock movements. The in-house manufacturing facility for clock movement enables us to maintain high quality production standards and also helps us in minimizing production time and bringing cost effectiveness.

### **3. Wide range of clock styles**

Our Company offers a diverse range of clocks which varies in styles as well as price range. Such diverse product mix helps us in catering to diverse customer segments including corporate sector. We believe that with our diverse product mix, we have transformed the clock from a mere timepiece to a piece of art. Our range of products allows our existing customers to source most of their product requirements under one roof and also enables us to expand our business from existing customers as well as address a larger base of potential new customers.

### **4. Certifications and compliance with Quality Standards**

Our Company has received ISO Certifications from Dubai Accreditation Center (DAC), member of Multilateral Recognition Arrangements (IAF) certifying that our Quality Control System was found to be in accordance with the requirements of ISO 9001:2008 for design, manufacture and supply of quartz clocks, time pieces, gift articles (clocks) and digital clocks to National and International Markets. We believe that such certification would allow us to market our products and it also provides assurance to our domestic as well as overseas customers for the quality of our products.

### **5. Experienced Promoters and skilled workforce**

The business of our Company is backed and driven with the strengths, expertise and ability of our Promoters. Both the Promoters, Mr. Jayeshbhai C. Shah and Mrs. Deepaben J. Shah have mentored the management of our Company since its incorporation. Our Promoters have played an important role in the growth of our Company. Mr. Jayeshbhai C. Shah, our Chairman & Managing Director has started the business as first generation entrepreneur by way of Shop-to-Shop Marketing for nearly 10 Years in Mumbai before shifting to Morbi in 1995-96. We believe that his extensive experience of over 30 years in clock industry has benefitted our Company to grow into multifold during the last 20 years. Further, the support of our management team has helped us to leverage our existing business skills, relationships with our customers and market visibility to further enhance our existing strength in the clock industry and to expand our product offerings and geographic presence, both within India and abroad.

### **6. Strong & long-term relationship with our clients**

We maintain long terms relationships with our key customers by strategically aligning our offerings with their business needs. Our long standing partnerships with our customers are also built on our successful execution of prior engagements. We believe our track record of timely delivery of quality products and demonstrated technical expertise has helped in forging strong relationships with our customers.

## **OUR BUSINESS STRATEGIES**

### **1. Improving operational efficiency and product quality**

Our Company intends to improve efficiencies to achieve cost reductions so as to gain competitive edge over the peers. We believe that this can be done through economies of scale, continuous process improvement, and customer service and technology development. Also, quality products and service of global standards are of utmost importance for customer retention.

### **2. Focus on consistently meeting quality standards**

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous project review and timely corrective measures in case of diversion and technology upgradation are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing our brand value and maintaining long term relationships with customers.

### **3. To build-up a professional organization**

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

### **4. Develop cordial relationship with our Suppliers, Customer and employees**

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over a number of years. We bag and place repetitive order with our customers as well as with our suppliers. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier relationship management is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

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

(Amt. Rs. in Lacs)

	Particulars	Ann x.	As At					
			31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(1)</b>	<b>Equity &amp; Liabilities</b>							
	Shareholders' Funds							
	(a) Share Capital	<b>A</b>	720.00	540.00	540.00	180.00	180.00	180.00
	(b) Reserves & Surplus	<b>B</b>	440.60	394.70	314.00	405.89	364.90	307.38
			<b>1,160.60</b>	<b>934.70</b>	<b>854.00</b>	<b>585.89</b>	<b>544.90</b>	<b>487.38</b>
<b>(2)</b>	<b>Non Current Liabilities</b>							
	(a) Long-term borrowings	<b>C</b>	695.72	643.41	533.79	845.45	832.67	587.02
	(b) Deferred tax liabilities (net)	<b>D</b>	100.36	112.38	98.59	77.93	72.76	58.62
	(c) Other Long-term Liabilities	<b>E</b>	-	-	-	-	4.10	4.10
	(d) Long-term provisions	<b>F</b>	12.47	11.51	9.40	9.69	7.83	5.31
			<b>808.54</b>	<b>767.31</b>	<b>641.78</b>	<b>933.06</b>	<b>917.37</b>	<b>655.05</b>
<b>(3)</b>	<b>Current liabilities</b>							
	(a) Short-term borrowings	<b>G</b>	1,133.20	1,215.42	1,239.99	909.23	793.78	786.48
	(b) Trade payables	<b>H</b>						
	- Dues to Micro & Small Enterprises		-	-	-	-	-	-
	- Dues to Other Than Micro & Small Enterprises		477.66	398.32	384.02	205.41	511.85	561.57
	(c) Other current liabilities	<b>I</b>	60.96	103.63	122.51	158.86	182.48	153.88
	(d) Short-term provisions	<b>J</b>	133.20	74.54	174.64	60.04	57.11	69.24
			<b>1,805.02</b>	<b>1,791.91</b>	<b>1,921.16</b>	<b>1,333.54</b>	<b>1,545.23</b>	<b>1,571.16</b>
	<b>Total</b>		<b>3,774.16</b>	<b>3,493.92</b>	<b>3,416.94</b>	<b>2,852.49</b>	<b>3,007.50</b>	<b>2,713.59</b>
	<b>Assets</b>							
<b>(4)</b>	<b>Non-current assets</b>							
	(a) Fixed Assets	<b>K</b>						
	- Property, Plant & Equipment		1,409.28	1,413.98	1,358.59	1,187.57	1,133.38	924.54
	- Intangible Assets		-	-	-	-	-	-
	- Capital Work-In-Progress		-	-	-	-	80.64	147.99
	(b) Long-term loans and advances	<b>L</b>	11.05	11.09	11.09	10.20	12.54	12.54
	(c) Other non-current assets	<b>M</b>	-	-	-	-	1.06	1.06
			<b>1,420.33</b>	<b>1,425.07</b>	<b>1,369.68</b>	<b>1,197.77</b>	<b>1,227.63</b>	<b>1,086.14</b>
<b>(5)</b>	<b>Current Assets</b>							
	(a) Inventories	<b>N</b>	1,116.04	1,173.35	1,370.18	1,090.55	1,194.65	989.40
	(b) Trade Receivables	<b>O</b>	1,022.56	710.31	296.34	278.72	271.59	405.47
	(c) Cash & Bank Balances	<b>P</b>	17.36	2.83	13.79	18.70	64.96	56.47
	(d) Short Term Loans & Advances	<b>Q</b>	159.62	146.56	330.70	265.76	247.11	174.59
	(e) Other Current Assets	<b>R</b>	38.25	35.78	36.25	0.98	1.56	1.52
			<b>2,353.84</b>	<b>2,068.84</b>	<b>2,047.26</b>	<b>1,654.72</b>	<b>1,779.87</b>	<b>1,627.45</b>
	<b>Total</b>		<b>3,774.16</b>	<b>3,493.92</b>	<b>3,416.94</b>	<b>2,852.49</b>	<b>3,007.50</b>	<b>2,713.59</b>

**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 Annexure(s) II, III and IV respectively.

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

(Amt Rs. in Lacs)

Particulars	Annx.	For the Period / Year Ended					
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Continuing Operations</b>							
<b>Revenue from operations:</b>							
- Revenue From Sale of Products	S	3,811.58	3,792.85	3,402.71	3,279.30	3,262.03	3,202.15
- Revenue From Sale of Services		-	-	-	-	-	-
- Other Operating Income	S	10.45	38.55	123.08	50.36	70.83	115.85
<b>Net Revenue from operations</b>		<b>3,822.03</b>	<b>3,831.40</b>	<b>3,525.80</b>	<b>3,329.66</b>	<b>3,332.85</b>	<b>3,318.00</b>
Other income	S	39.84	71.77	156.55	76.01	22.49	53.47
<b>Total Revenue (A)</b>		<b>3,861.88</b>	<b>3,903.16</b>	<b>3,682.35</b>	<b>3,405.67</b>	<b>3,355.35</b>	<b>3,371.47</b>
<b>Expenses:</b>							
Cost of Raw Materials Consumed	T	2,625.90	2,548.31	2,649.92	2,130.38	2,356.02	2,449.34
Purchase of Stock-in-trade		-	-	-	-	-	-
Changes in inventories of finished goods, WIP and Stock-in-Trade	U	(52.53)	(1.84)	(206.48)	164.71	(104.37)	(73.17)
Employee benefits expense	V	423.81	511.65	358.85	361.39	363.62	313.60
Other expenses	W	328.82	403.45	346.96	390.58	381.48	334.02
<b>Total Expenses (B)</b>		<b>3,325.99</b>	<b>3,461.57</b>	<b>3,149.25</b>	<b>3,047.07</b>	<b>2,996.75</b>	<b>3,023.78</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>		<b>535.89</b>	<b>441.60</b>	<b>533.10</b>	<b>358.60</b>	<b>358.60</b>	<b>347.68</b>
Finance costs	X	159.84	215.71	231.05	205.09	206.91	229.73
Depreciation and amortization expenses		78.09	98.23	91.35	92.72	56.29	42.09
<b>Net Profit Before Tax &amp; Extraordinary Items (C=A-B)</b>		<b>297.96</b>	<b>127.65</b>	<b>210.70</b>	<b>60.79</b>	<b>95.40</b>	<b>75.87</b>
<b>Provision for Tax</b>							
- Current Tax		80.28	28.55	56.45	14.26	19.59	18.32
- Tax adjustment of prior years		3.80	4.61	(1.23)	0.38	4.15	1.82
- Deferred Tax Liability / (Asset)		(12.03)	13.79	20.67	5.16	14.14	10.20
<b>Tax Expense For The Year (D)</b>		<b>72.05</b>	<b>46.95</b>	<b>75.88</b>	<b>19.80</b>	<b>37.88</b>	<b>30.34</b>
<b>Net Profit before extraordinary items (E=C-D)</b>		<b>225.90</b>	<b>80.70</b>	<b>134.82</b>	<b>40.99</b>	<b>57.52</b>	<b>45.53</b>
Extraordinary items (Net of Tax) [Refer Note 17(I)(1)] (F)		-	-	133.29	-	-	-
<b>Restated Net Profit after Extraordinary Items from Continuing Operations (G=E+F)</b>		<b>225.90</b>	<b>80.70</b>	<b>268.11</b>	<b>40.99</b>	<b>57.52</b>	<b>45.53</b>
Net Profit from Discontinuing Operations (J)		-	-	-	-	-	-
<b>Restated Net Profit for the year from total operations (K=I+J)</b>		<b>225.90</b>	<b>80.70</b>	<b>268.11</b>	<b>40.99</b>	<b>57.52</b>	<b>45.53</b>

**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 Rs. in Lacs)

Particulars	For the Year ended					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>1. Cash Flow From Operating Activities:</b>						
<b>Net Profit before tax, extraordinary &amp; exceptional item</b>	<b>297.96</b>	<b>127.65</b>	<b>210.70</b>	<b>60.79</b>	<b>95.40</b>	<b>75.87</b>
Adjustments for:						
Depreciation and amortization expense	78.09	98.23	91.35	92.72	56.29	42.09
Finance Cost	159.84	215.71	231.05	205.09	206.91	229.73
Interest Received / Other Non Operative Receipts	(0.95)	(2.75)	(1.25)	(2.76)	(5.51)	(4.78)
<b>Operating Profit before Changes in Working Capital</b>	<b>534.93</b>	<b>438.85</b>	<b>531.84</b>	<b>355.84</b>	<b>353.10</b>	<b>342.91</b>
Adjustments for:						
Inventories	57.32	196.83	(279.63)	104.10	(205.25)	(51.31)
Trade Receivables	(312.25)	(413.97)	(17.62)	(7.14)	133.88	(88.24)
Short Term & Long Term Loans & Advances	(17.58)	109.10	19.59	(11.10)	(68.44)	(48.65)
Other Current Assets	(2.47)	0.47	(35.28)	0.59	(0.05)	0.95
Trade Payables	79.34	14.31	178.61	(306.45)	(49.72)	176.34
Other Current Liabilities	(42.67)	(18.88)	(36.35)	(23.62)	28.61	49.50
Short Term & Long Term Provision	7.89	(4.27)	6.29	10.11	(10.87)	4.18
Other Long term Liabilities	-	-	-	(4.10)	-	(14.00)
Other Current Assets	-	-	-	1.06	-	-
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(230.42)</b>	<b>(116.42)</b>	<b>(164.38)</b>	<b>(236.55)</b>	<b>(171.83)</b>	<b>28.77</b>
Cash Flow from Extra-Ordinary Items & Exceptional Item	-	-	133.29	-	-	-
<b>Cash Generated from Operations</b>	<b>304.51</b>	<b>322.43</b>	<b>500.75</b>	<b>119.29</b>	<b>181.26</b>	<b>371.68</b>
Taxes Paid	27.80	51.86	32.59	25.17	26.55	21.45
<b>Net Cash from Operating Activities</b>	<b>276.71</b>	<b>270.57</b>	<b>468.16</b>	<b>94.12</b>	<b>154.71</b>	<b>350.22</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased (Net)	(73.38)	(153.63)	(262.38)	(66.26)	(197.78)	(178.15)
Interest Received/ Other Non Operative Receipts	0.95	2.75	1.25	2.76	5.51	4.78
<b>Net Cash from Investing Activities</b>	<b>(72.43)</b>	<b>(150.88)</b>	<b>(261.12)</b>	<b>(63.50)</b>	<b>(192.27)</b>	<b>(173.37)</b>
<b>3. Cash Flow From Financing Activities:</b>						
Proceeds from Issue of Shares	-	-	-	-	-	-
Proceeds from Short term borrowings	(82.22)	(24.57)	330.75	115.45	7.30	15.21
Proceeds from Long term borrowings	52.31	109.63	(311.66)	12.77	245.66	59.32
Finance Cost	(159.84)	(215.71)	(231.05)	(205.09)	(206.91)	(229.73)
<b>Net Cash from Financing Activities</b>	<b>(189.76)</b>	<b>(130.65)</b>	<b>(211.95)</b>	<b>(76.87)</b>	<b>46.05</b>	<b>(155.20)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>14.53</b>	<b>(10.96)</b>	<b>(4.91)</b>	<b>(46.26)</b>	<b>8.49</b>	<b>21.65</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>2.83</b>	<b>13.79</b>	<b>18.70</b>	<b>64.96</b>	<b>56.47</b>	<b>34.82</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>17.36</b>	<b>2.83</b>	<b>13.79</b>	<b>18.70</b>	<b>64.96</b>	<b>56.47</b>



## Notes:

<b>1. Components of Cash &amp; Cash Equivalents :</b>						
	<b>As At</b>					
<b>Particulars</b>	<b>31/12/17</b>	<b>31/03/17</b>	<b>31/03/16</b>	<b>31/03/15</b>	<b>31/03/14</b>	<b>31/03/13</b>
Cash on Hand	10.88	2.21	13.32	13.24	10.47	6.71
Balances with Scheduled Banks	-	-	-	-	-	-
In Current Accounts	0.82	0.62	0.47	0.32	1.29	0.33
In Deposit Accounts	5.66	-	-	5.14	53.20	49.44
<b>Total Cash &amp; Cash Equivalents</b>	<b>17.36</b>	<b>2.83</b>	<b>13.79</b>	<b>18.70</b>	<b>64.96</b>	<b>56.47</b>

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

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>	
<b>Issue<sup>(1)</sup>: Present Issue of Equity Shares by our Company<sup>(2)</sup></b>	28,08,000 Equity Shares of ₹ 10/- each for cash at a price of [●] per share aggregating to Rs. [●] Lakhs.
<b>Of which:</b>	
<b>Issue Reserved for the Market Makers</b>	1,44,000 Equity Shares of ₹ 10/- each for cash at a price of Rs. [●] per share aggregating to Rs. [●] Lakhs.
<b>Net Issue to the Public<sup>(3)</sup></b>	26,64,000 Equity Shares of ₹ 10/- each for cash at a price of Rs. [●] per share aggregating to Rs. [●] Lakhs.
<b>Of which:</b>	
Allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs.	13,32,000 Equity Shares of ₹ 10/- each for cash at a price of Rs. [●] per share (including a premium of Rs. [●] Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs.
Allocation for allotment to Other Investors above ₹ 2.00 Lacs	13,32,000 Equity Shares of ₹ 10/- each for cash at a price of Rs. [●] per share (including a premium of Rs. [●] Equity Share) will be available for allocation for allotment to Other Investors above ₹ 2.00 Lacs.
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	72,00,000 Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Issue</b>	1,00,08,000 Equity Shares of face value of ₹10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 88 of this Draft Prospectus

<sup>(1)</sup>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 231 of this Draft Prospectus.

<sup>(2)</sup>The present Issue has been authorized pursuant to a resolution of our Board dated February 21, 2018 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on February 26, 2018

<sup>(3)</sup>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
  - (i) Individual applicants other than retail individual investors; and
  - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

For further details please refer to the chapter titled “*Issue Structure*” beginning on page 231 of this Draft Prospectus.

### GENERAL INFORMATION

Our Company was originally incorporated as “Sonam Clock Private Limited” on June 21, 2001 vide Registration no. 039689/2001-2002 (CIN: U33302GJ2001PTC39689) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 29, 2018, our company was converted into a Public Limited Company and consequently the name of our Company was changed from “Sonam Clock Private Limited” to “Sonam Clock Limited” vide a fresh Certificate of Incorporation dated February 07, 2018 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company post conversion is U33302GJ2001PLC039689.

Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah were the initial subscribers to the Memorandum of Association of our Company.

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 110 of this Draft Prospectus.

### Brief Company and Issue Information

<b>Registered Office</b>	Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India Tel. No. +91-2822-285017 Fax No. +91-2822-285987 E-mail: <a href="mailto:info@sonamquartz.com">info@sonamquartz.com</a> Website: <a href="http://www.sonamquartz.com">www.sonamquartz.com</a>
<b>Date of Incorporation</b>	June 21, 2001
<b>Corporate Registration No.</b>	039689
<b>Corporate Identification No.</b>	U33302GJ2001PLC039689
<b>Company Category</b>	Company Limited by Shares
<b>Company Sub-category</b>	Indian Non Government Company
<b>Address of Registrar of Companies</b>	Registrar of Companies, Ahmedabad, Gujarat ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013 Tel No.: 079-27437597 Fax No.: 079-27438371 Email: <a href="mailto:roc.ahmedabad@mca.gov.in">roc.ahmedabad@mca.gov.in</a> Website: <a href="http://www.mca.gov.in">http://www.mca.gov.in</a>
<b>Designated Stock Exchange</b>	NSE EMERGE (SME Platform of NSE), Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai-400051, Maharashtra
<b>Issue Programme</b>	Issue Opens on: [●] Issue Closes on: [●]
<b>Company Secretary &amp; Compliance Officer</b>	<b>Ms. Sejal Hareshbhai Shah</b> <b>Sonam Clock Limited</b> Survey No. 337/p, Morbi Rajkot Highway, Taluka Tankara, District Morbi, Lajai, Rajkot - 363641 Gujarat, India Tel. No. +91-2822-285017 Fax No. +91-2822-285987 E-mail: <a href="mailto:cs@sonamquartz.com">cs@sonamquartz.com</a> Website: <a href="http://www.sonamquartz.com">www.sonamquartz.com</a>
<b>Chief Financial Officer</b>	<b>Mr. Amit J. Vaghajiyani</b> <b>Sonam Clock Limited</b> Survey No. 337/p, Morbi Rajkot Highway, Taluka Tankara, District Morbi, Lajai, Rajkot - 363641 Gujarat, India Tel. No. +91-2822-285017 Fax No. +91-2822-285987 E-mail: <a href="mailto:ac@sonamquartz.com">ac@sonamquartz.com</a>

Website: [www.sonamquartz.com](http://www.sonamquartz.com)

**Note: Investors can contact the Compliance Officer or the Registrar to the Issue 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**

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, 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, applicant may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange 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. Jayeshbhai Chhabildas Shah	Chairman & Managing Director	34, Shanti Niketan, 10 Shakti Plot, Sanala Road, Shri Sardanagar, District Morbi, Gujarat - 363641, India	00500814
Mrs. Deepaben Jayeshbhai Shah	Whole Time Director	Flat 202, Tower G, Jasmin, Garden City , S.V. Road, Gujarat – 360005, India	01981533
Ms. Rutvi Jayeshbhai Shah	Non Executive Director	Flat 202, Tower G, Jasmin, Garden City , S.V. Road, Gujarat – 360005, India	08071124
Mr. Shreyansh Vijaybhai Vora	Independent Director	Rajgor Fali 1, Near Punjab National Bank, Jamnagar - 361001 Gujarat, India	08034487
Mr. Jigar Dipakbhai Mehta	Independent Director	102, Siddharth Apartment, Near Jain Derasar, Opp. Dattatray Temple, Jamnagar, Gujarat 361008	08051320

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 114 of this Draft Prospectus.

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

Lead Manager to the Issue	Legal Advisor to the Issue
<b>HEM SECURITIES LIMITED</b> Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India Tel No.:+91-22-4906 0000 Fax No.:+91-22-22625991 Email: <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> Investor Grievance Email: <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> Website: <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> Contact Person: Mr. Anil Bhargava SEBI Regn. No.: INM000010981	<b>VEDANTA LAW CHAMBERS</b> Address: I Floor, SSK House, B-62, Sahakar Marg, Lal Kothi, Jaipur-302015, Rajasthan, India Tel No.: +91-141-2740911,+91-141-4014091 Fax No.: +91- 141-2740911 Email: <a href="mailto:vedantalawchambers@gmail.com">vedantalawchambers@gmail.com</a> Website: <a href="http://www.vedantalawchambers.com">www.vedantalawchambers.com</a> Contact Person: Advocate Nivedita Ravindra Sarda
Registrar to the Issue	Advisor to the Issue

<b>BIGSHARE SERVICES PRIVATE LIMITED</b> Address:- I Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, India. Tel. No.:- +91 22 6263 8200 Fax No.:- +91 22 6263 8299 Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Contact Person: Mr. Ashok Shetty Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> SEBI Registration Number: INR000001385 CIN: U99999MH1994PTC076534	<b>CA. SHILPANG V. KARIA</b> Address: C/701-702, Titanium Square, Thaltej Cross Roads, S. G. Road, Ahmedabad-380059, Gujarat, India Tel. No.:- +91- 079- 4032 0800 Mob. No.: +91- 98252 45520 Email: <a href="mailto:shilpangkaria@yahoo.co.in">shilpangkaria@yahoo.co.in</a> Membership No.: 102114
<b>Statutory Auditors</b>	<b>Peer Review Auditors*</b>
<b>M/s D. V. BAKRANIA &amp; ASSOCIATES</b> <b>CHARTERED ACCOUNTANTS</b> Address: Shiv Shakti Complex, 1st Floor, Opp. Jain Derasar, Shanala Road, Morbi – 363641 Gujarat, India Tel. No.:- +91 2822 227691 Email: <a href="mailto:dvbakrania@hotmail.com">dvbakrania@hotmail.com</a> Firm Registration No.: 127116W Contact Person: CA Dipak V. Bakrania	<b>M/S J B SHAH &amp; CO.</b> <b>CHARTERED ACCOUNTANTS</b> Address: 302, Satkar Complex, Behind Lal Bungalow Opp. IFCI Bhavan, C G Road, Navrangpura, Ahmedabad 380009 Tel. No.:- +91-079-26406348 Email: <a href="mailto:ca.jbshah@gmail.com">ca.jbshah@gmail.com</a> Firm Registration No.: 121333W Contact Person: CA Jasmin B Shah
<b>Bankers to the Issue</b>	<b>Bankers to the Company</b>
[•]	[•]

\* **M/s J B Shah & Co., 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) Regulations and holds a valid peer reviewed certificate dated September 16, 2016 issued by 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 of 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 <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. 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 website of the NSE at [www.nseindia.com](http://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 website of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

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

## **BROKERS TO THE ISSUE**

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, 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 mandatory.

## **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lacs.

## **APPRAISING ENTITY**

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

## **EXPERTS OPINION**

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 136 and 77 respectively of this Draft Prospectus from the Statutory Auditor and Peer Review Auditors, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor and Peer Review Auditors 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 withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Prospectus 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 issued through the Draft 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 Underwriter [•].

Pursuant to the terms of the Underwriting Agreement dated [•] entered into by Company, 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 Lakhs)	% of Total Issue Size Underwritten
[•]	28,08,000 Equity Shares of Rs. 10/- being issued at [•] each	[•]	100%

\*Includes 1,44,000 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.

As per Regulation 106P (2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

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:

<b>Name</b>	[•]
<b>Correspondence Address:</b>	
<b>Tel No.:</b>	
<b>Fax No.</b>	
<b>E-mail:</b>	
<b>Website:</b>	
<b>Contact Person:</b>	
<b>SEBI Registration No.:</b>	
<b>NSE Market Maker Registration No.</b>	

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 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.

- 4) 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 [•] equity shares; however the same may be changed by the NSE EMERGE Platform of NSE from time to time).
- 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 Merchant Banker, 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 106 V of the SEBI (ICDR) Regulations, 2009, as amended. 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 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 be within 10% or as intimated by Exchange from 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 to ₹50 Crore	20%	19%
₹50 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
<b>A</b>	<b>Authorized Share Capital</b> 1,10,00,000 Equity Shares having Face Value of ₹ 10/- each	1100.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 72,00,000 Equity Shares having Face Value of ₹10/- each	720.00	-
<b>C</b>	<b>Present Issue in terms of this Draft Prospectus*</b> 28,08,000 Equity Shares having Face Value of ₹ 10/- each at a Premium of ₹ [●] per share	280.80	[●]
	<b>Which Comprises</b>		
<b>I.</b>	<b>Reservation for Market Maker portion</b> 1,44,000 Equity Shares of ₹10/- each at a premium of [●] per Equity Share	14.40	[●]
<b>II.</b>	<b>Net Issue to the Public</b> 26,64,000 Equity Shares of ₹ 10/- each at a premium of [●] per Equity Share	266.40	[●]
	<b>of which</b>		
	13,32,000 Equity Shares of ₹ 10/- each at a premium of [●] per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs	133.20	[●]
	13,32,000 Equity Shares of ₹ 10/- each at a premium of [●] per Equity Share will be available for allocation for allotment to other Investors of above ₹ 2.00 Lacs	133.20	[●]
<b>D</b>	<b>Paid up Equity capital after the Issue</b> 1,00,08,000 Equity Shares having Face Value of ₹10/- each	1000.80	-
<b>E</b>	<b>Securities Premium Account</b> Before the Issue After the Issue	NIL [●]	

\*The present Issue of 28,08,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated February 21, 2018 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on February 26, 2018.

#### Classes 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
Upon Incorporation	---	Authorized share capital of the Company was ₹ 5.00 Lakhs divided into 50,000 Equity Shares of ₹ 10/- each.
May 07, 2002	EGM	Increase in the Authorized share Capital of the Company from ₹ 5.00 Lakhs divided into 50,000 Equity Shares of ₹ 10/- each to ₹ 100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each.
January 09, 2010	EGM	Increase in the authorized share capital of the company from ₹ 100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each to ₹ 200.00 Lakhs divided into 20,00,000 Equity Shares of ₹ 10/- each.
February 29, 2016	EGM	Increase in the authorized share capital of the company from ₹ 200.00 Lakhs divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹ 600.00 Lakhs divided into 60,00,000 Equity Shares of ₹ 10/- each
November 30, 2017	EGM	Increase in the authorized share capital of the company from ₹ 600.00 Lakhs divided into 60,00,000 Equity Shares of ₹ 10/- each to ₹ 1000.00 Lakhs divided into 1,00,00,000 Equity Shares of ₹ 10/- each
December 30, 2017	EGM	Increase in the authorized share capital of the company from ₹ 1000.00 Lakhs divided into

		1,00,00,000 Equity Shares of ₹ 10/- each to ₹ 1100.00 Lakhs divided into 1,10,00,000 Equity Shares of ₹ 10/- each
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### Notes to Capital Structure

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

a) The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable (₹))	Consideration	Reason of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid Up Capital (₹)
Upon Incorporation	10,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	10,000	Nil	1,00,000
March 30, 2002	20,300	10	10	Cash	Further Allotment <sup>(ii)</sup>	30,300	Nil	3,03,000
January 31, 2004	8,34,700	10	10	Cash	Further Allotment <sup>(iii)</sup>	8,65,000	Nil	86,50,000
February 02, 2010	9,35,000	10	10	Cash	Further Allotment <sup>(iv)</sup>	18,00,000	Nil	1,80,00,000
March 21, 2016	36,00,000	10	Nil	-	Bonus Issue in the ratio of 2:1 <sup>(v)</sup>	54,00,000	Nil	5,40,00,000
December 23, 2017	18,00,000	10	Nil	-	Bonus Issue in the ratio of 1:3 <sup>(vi)</sup>	72,00,000	Nil	7,20,00,000

All the above mentioned shares are fully paid up since the date of allotment.

(i) Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah were allotted 5,000 Equity shares each, pursuant to their subscription to Memorandum of Association.

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Jayeshbhai Chhabildas Shah	5,000
2.	Mrs. Deepaben Jayeshbhai Shah	5,000
	<b>Total</b>	<b>10,000</b>

(ii) Further allotment of 20,300 Equity shares of Face Value of Rs. 10/- each per share were made to:-

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Jayeshbhai Chhabildas Shah*	10,000
2	Mrs. Deepaben Jayeshbhai Shah	10,000
3	Mr. Mehulbhai Mulvantrai Shah	100
4	Mr. Vimal Mulvantrai Shah	100
5	Jayeshbhai Chhabildas Shah HUF	100
	<b>Total</b>	<b>20,300</b>

\*Mr. Jayeshbhai Chhabildas Shah has been allotted 10,000 shares as being sole proprietor of M/s Riddhi Enterprise.

(iii) Further allotment of 8,34,700 Equity shares of Face Value of Rs. 10/- each per share were made to:-

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Jayeshbhai Chhabildas Shah*	2,46,000
2	Mr. B.P. Patel	15,000
3	Mr. Mehulbhai Mulvantrai Shah**	1,21,500
4	Mrs. Deepaben Jayeshbhai Shah	1,05,000
5	Mrs. Gunvantiben Mulvantrai Shah	10,600
6	Mrs. Purviben Vinalbahi Shah	2,400
7	Mrs. Dhartiben Mehulbhai Shah	7,700
8	Mr. Vimalbhai Mulvantrai Shah	81,500
9	Jayeshbhai Chhabildas Shah HUF***	2,45,000
	<b>Total</b>	<b>8,34,700</b>

\*Out of 2,46,000 shares allotted to Mr. Jayeshbhai Chhabildas Shah, 72,500 shares has been allotted to him as being sole proprietor of M/s Riddhi Enterprise.

\*\*Out of 1,21,500 shares allotted to Mr. Mehulbhai Mulvantrai Shah, 24,000 shares has been allotted to him as being sole proprietor of M/s Krushna Enterprise.

\*\*\* Jayeshbhai Chhabildas Shah HUF has been allotted 2,45,000 shares as being sole proprietor of M/s Harshil Enterprise.

(iv) Further allotment of 9,35,000 Equity shares of Face Value of Rs. 10/- each per share were made to:-

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Jayeshbhai Chhabildas Shah	7,20,000
2	Export Technology & Consultants Private Limited	95,000
3	Shitaldhara Engineering Private Limited	1,20,000
	<b>Total</b>	<b>9,35,000</b>

(v) Bonus issue of 36,00,000 Equity Shares of Face Value of Rs. 10/- each in the ratio of 2:1 i.e. 2 Bonus Equity Shares for every 1 Equity Share held by shareholders. (refer point no. 3 for allottees list)

(vi) Bonus issue of 18,00,000 Equity Shares of Face Value of Rs. 10/- each in the ratio of 1:3 i.e. 1 Bonus Equity Share for every 3 Equity Shares held by shareholders. (refer point no. 3 for allottees list)

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

## 2. Details of Allotment made in the last two years preceding the date of the Draft Prospectus:

Date of Allotment/ Date of fully Paid up	No of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Securities Premium Account	Cumulative Paid up Capital (Rs.)	Consideration	Nature of Issue and Category of Allottees
March 21, 2016	36,00,000	54,00,000	10	--	--	5,40,00,000	Bonus Issue	Bonus in the ratio of 2:1 i.e. 2 Equity Shares for every 1 Equity Share held
December 23, 2017	18,00,000	72,00,000	10	--	--	7,20,00,000	Bonus Issue	Bonus in the ratio of 1:3 i.e. 1 Equity Share for every 3 Equity Shares held

## 3. 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 Company	Name of Allottees	No. of Shares Allotted
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March 21, 2016	36,00,000	10	Nil	Bonus in the ratio of 2:1 i.e. 2 Equity Shares for every 1 Equity Share held	Capitalization of Reserves & Surplus*	Mr. Jayeshbhai Chhabildas Shah	31,19,800
						Mrs. Deepaben Jayeshbhai Shah	2,40,000
						Jayeshbhai Chhabildas Shah HUF**	2,40,200
						<b>Total</b>	<b>36,00,000</b>
December 23, 2017	18,00,000	10	Nil	Bonus in the ratio of 1:3 i.e. 1 Equity Shares for every 3 Equity Shares held	Capitalization of Reserves & Surplus*	Mr. Jayeshbhai Chhabildas Shah	15,59,900
						Mrs. Deepaben Jayeshbhai Shah	1,20,000
						Jayeshbhai Chhabildas Shah HUF	1,20,100
						<b>Total</b>	<b>18,00,000</b>

\*Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.

\*\* Out of 2,40,200 shares allotted to Jayeshbhai Chhabildas Shah HUF, 2,40,000 shares has been allotted to it as being sole proprietor of M/s Harshil Enterprise.

- No Equity Shares have been allotted pursuant to any scheme approved under sections 230-233 of the Companies Act, 2013 or under the erstwhile corresponding provisions 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 which may be at price below the Issue price within last one year from the date of the Draft Prospectus.

Date of Allotment	Name of Allottees	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Reason for Allotment	Category of Allottees
December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	15,59,900	10	--	Bonus in the ratio of 1:3 i.e. 1 Equity Share for every 3 Equity Shares held	Promoter
	Mrs. Deepaben Jayeshbhai Shah	1,20,000				Promoter
	Jayeshbhai Chhabildas Shah HUF	1,20,100				Promoter Group
<b>Total</b>		<b>18,00,000</b>				

#### 7. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Draft Prospectus, our Promoters Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah holds 62,39,200 and 4,80,000 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 Shareholding %	Lock-in Period	Source of Funds
<b>(A) Mr. Jayeshbhai Chhabildas Shah*</b>								
June 21, 2001	5,000	10	10	Subscriber to MOA	0.07	0.05	1 year	Own Fund

March 30, 2002	10,000	10	10	Acquisition of share by way of further allotment	0.14	0.10	1 year	Own Fund
January 31, 2004	2,46,000	10	10	Acquisition of share by way of further allotment	3.42	2.46	1 year	Own Fund
February 01, 2010	7,20,000	10	10	Acquisition of share by way of further allotment	10.00	7.19	1 year	Own Fund
October 08, 2010	2,15,000	10	1	Acquisition of share by way of Transfer <sup>(i)</sup>	2.99	2.15	1 year	Own Fund
December 30, 2014	1,64,800	10	10	Acquisition of share by way of Transfer <sup>(ii)</sup>	2.29	1.65	1 year	Own Fund
December 23, 2015	35,100	10	10	Acquisition of share by way of Transfer <sup>(iii)</sup>	0.49	0.35	1 year	Own Fund
	39,000		1		0.54	0.39		
March 05, 2016	125,000	10	24.95	Acquisition of share by way of Transfer <sup>(iv)</sup>	1.74	1.25	1 year	Own Fund
March 21, 2016	20,60,000	10	-	Bonus Issue	28.61	20.58	3 years	-
	10,59,800				14.72	10.59	1 year	
December 23, 2017	15,59,900	10	-	Bonus Issue	21.67	15.59	1 year	-
December 23, 2017	(400)	10	10	Transfer <sup>(v)</sup>	(0.01)	0.00	-	-
<b>Total (A)</b>	<b>62,39,200</b>				<b>86.66</b>	<b>62.34</b>		

\*includes shares allotted to Mr. Jayeshbhai Chhabildas Shah as sole proprietor of M/s Riddhi Enterprise.

**(B) Mrs. Deepaben Jayeshbhai Shah**

June 21, 2001	5,000	10	-	Subscriber to MOA	0.07	0.05	1 year	Own Fund
March 30, 2002	10,000	10	-	Acquisition of share by way of further allotment	0.14	0.10	1 year	Own Fund
January 31, 2004	1,05,000	10	-	Acquisition of share by way of further allotment	1.46	1.05	1 year	Own Fund
March 21, 2016	2,40,000	10	-	Bonus Issue	3.33	2.40	1 year	-
December 23, 2017	1,20,000	10	-	Bonus Issue	1.67	1.20	1 year	-
<b>Total (B)</b>	<b>4,80,000</b>				<b>6.67</b>	<b>4.80</b>		

\*\*None of the Shares has been pledged by our Promoters

**(i) Details of Acquisition by Jayeshbhai Chhabildas Shah by way of transfer of 2,15,000 Equity Shares dated October 08, 2010**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	October 08, 2010	Export Technology & Consultants Private Limited	95,000	Mr. Jayeshbhai Chhabildas Shah
2.	October 08, 2010	Shitaldhara Engineering Private Limited	1,20,000	Mr. Jayeshbhai Chhabildas Shah
		<b>Total</b>	<b>2,15,000</b>	

**(ii) Details of Acquisition by Jayeshbhai Chhabildas Shah by way of transfer of 1,64,800 Equity Shares dated December 30, 2014**

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	December 30, 2014	Mr. Mehulbhai Mulvantrai Shah	87,600	Mr. Jayeshbhai Chhabildas Shah
2.	December 30, 2014	Mr. Vimal Mulvantrai Shah	56,500	Mr. Jayeshbhai Chhabildas Shah
3.	December 30, 2014	Mrs. Gunvantiben Mulvantrai Shah	10,600	Mr. Jayeshbhai Chhabildas Shah
4.	December 30, 2014	Mrs. Purviben Vinalbahi Shah	2,400	Mr. Jayeshbhai Chhabildas Shah
5.	December 30, 2014	Mrs. Dhartiben Mehulbhai Shah	7,700	Mr. Jayeshbhai Chhabildas Shah
		<b>Total</b>	<b>1,64,800</b>	

(iii) Details of Acquisition by Jayeshbhai Chhabildas Shah by way of transfer of 74,100 Equity Shares dated December 23, 2015

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	December 23, 2015	Mr. Mehulbhai Mulvantrai Shah*	34,000	Mr. Jayeshbhai Chhabildas Shah
2.	December 23, 2015	Mr. Vimal Mulvantrai Shah	25,100	Mr. Jayeshbhai Chhabildas Shah
3.	December 23, 2015	Mr. B.P. Patel	15,000	Mr. Jayeshbhai Chhabildas Shah
		<b>Total</b>	<b>74,100</b>	

\*includes 24,000 shares transferred by Mr. Mehulbhai Mulvantrai Shah as sole proprietor of M/s Krushna Enterprise.

(iv) Details of Acquisition by Jayeshbhai Chhabildas Shah by way of transfer of 1,25,000 Equity Shares dated March 05, 2016

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 05, 2016	Jayeshbhai Chhabildas Shah HUF*	1,25,000	Mr. Jayeshbhai Chhabildas Shah
		<b>Total</b>	<b>1,25,000</b>	

\* 1,25,000 shares transferred by Jayeshbhai Chhabildas Shah HUF as sole proprietor of M/s Harshil Enterprises.

(v) Details of sale of Shares by Jayeshbhai Chhabildas Shah of 400 Equity Shares dated December 23, 2017

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	100	Mr. Harshil Jayeshbhai Shah
2.	December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	100	Mr. Jatin Shashikant Movani
3.	December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	100	Mr. Amit Jamnadas Vaghajiyani
4.	December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	100	Mr. Samir Champaklall Doshi
		<b>Total</b>	<b>400</b>	

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

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Jayeshbhai Chhabildas Shah	62,39,200	2.43
2.	Mrs. Deepaben Jayeshbhai Shah	4,80,000	2.50
	<b>Total</b>	<b>67,19,200</b>	

9. Shareholding of Promoters and Promoters Group

Following are the details of pre and post Issue shareholding of persons belonging to the category "Promoter and Promoter Group":

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Mr. Jayeshbhai Chhabildas Shah	62,39,200	86.66	62,39,200	62.34

2.	Mrs. Deepaben Jayeshbhai Shah	4,80,000	6.67	4,80,000	4.80
	<b>Sub Total (A)</b>	<b>67,19,200</b>	<b>93.33</b>	<b>67,19,200</b>	<b>67.14</b>
	<b>Promoter Group</b>				
1.	Jayeshbhai Chhabildas Shah HUF	4,80,400	6.67	4,80,400	4.80
2.	Mr. Harshil Jayeshbhai Shah	100	0.00	100	0.00
3.	Mr. Jatin Shashikant Movani	100	0.00	100	0.00
4.	Mr. Amit Jamnadas Vaghajiyani	100	0.00	100	0.00
5.	Mr. Samir Champaklal Doshi	100	0.00	100	0.00
	<b>Sub Total (B)</b>	<b>4,80,800</b>	<b>6.67</b>	<b>4,80,800</b>	<b>4.80</b>
	<b>Grand Total (A+B)</b>	<b>72,00,000</b>	<b>100.00</b>	<b>72,00,000</b>	<b>71.94</b>

10. Except as provided below, there are no Equity Shares acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Prospectus:

Date of Allotment/ Transfer	Name of Shareholder	Party Category	Nature of Transactions	Price	Number of Shares Transacted
December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	Promoter	Bonus in the ratio of 1:3 i.e. 1 Equity Share for every 3 Equity Shares held	Nil	15,59,900
	Mrs. Deepaben Jayeshbhai Shah	Promoter			1,20,000
	Jayeshbhai Chhabildas Shah HUF	Promoter Group			1,20,100
December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	Promoter	Transfer	10	(100)
December 23, 2017	Mr. Harshil Jayeshbhai Shah	Promoter Group	Acquired by way of transfer	10	100
December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	Promoter	Transfer	10	(100)
December 23, 2017	Mr. Jatin Shashikant Movani	Promoter Group	Acquired by way of transfer	10	100
December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	Promoter	Transfer	10	(100)
December 23, 2017	Mr. Amit Jamnadas Vaghajiyani	Promoter Group	Acquired by way of transfer	10	100
December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	Promoter	Transfer	10	(100)
December 23, 2017	Mr. Samir Champaklal Doshi	Promoter Group	Acquired by way of transfer	10	100

#### 11. Details of Promoters' Contribution Locked-in for Three Years

Date of Allotment/Acquisition	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)	Lock-In Period
<b>Mr. Jayeshbhai Chhabildas Shah</b>								
March 21, 2016	March 21, 2016	20,60,000	10	--	Bonus	28.61	20.58	3 Years
<b>Sub Total (A)</b>		<b>15,35,000</b>				<b>28.61</b>	<b>20.58</b>	

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. Jayeshbhai Chhabildas Shah have, by a written undertaking, consented to have 20,60,000 equity shares held by him 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 promoter during the period starting from the date of filing the Draft Prospectus with NSE till the date of commencement of lock-in period as stated in the Draft Prospectus. The Equity Shares under the Promoters contribution will constitute 20.58% 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. <b>Hence Eligible</b>
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. <b>Hence Eligible</b>
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 public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
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. <b>Hence Eligible.</b>
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. <b>Hence Eligible.</b>

#### 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 51,40,000 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:**

- a) 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.
- b) 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.
- c) 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:

### 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.	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each^	Class	Total								
<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI</b>	<b>VII = IV+V+VI</b>	<b>VIII</b>	<b>IX</b>				<b>X</b>	<b>XI=VII+X</b>	<b>XII</b>	<b>XIII</b>	<b>XIV</b>		
(A)	Promoter & Promoter Group	7	72,00,000	-	-	72,00,000	100.00	72,00,000	-	72,00,000	100.00	-	100.00	-	-	-	[•]	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

	<b>Total</b>	<b>7</b>	<b>72,00,000</b>	<b>-</b>	<b>-</b>	<b>72,00,000</b>	<b>100.00</b>	<b>72,00,000</b>	<b>-</b>	<b>72,00,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>[●]</b>
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\*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.

We will enter into tripartite agreement with CDSL & NSDL before filing final prospectus.

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.

## 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+C 2)	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		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		7	72,00,000	-	-	72,00,000	100.00	72,00,000	-	72,00,000	100.00	-	100.00	-	-		[●]	
	Mr. Jayeshbhai Chhabildas Shah	AFNPS7238G	1	62,39,200	-	-	62,39,200	86.66	62,39,200	-	62,39,200	86.66	-	86.66	-	-		[●]	
	Mrs. Deepaben Jayeshbhai	AFNPS7239H	1	4,80,000	-	-	4,80,000	6.67	4,80,000	-	4,80,000	6.67	-	6.67	-	-		[●]	

	Shah																	
	Jayeshbhai Chhabildas Shah HUF	AADHS2911K	1	4,80,400	-	-	4,80,400	6.67	4,80,400	-	4,80,400	6.67	-	6.67	-	-	-	[●]
	Mr. Harshil Jayeshbhai Shah	GBSPS5099J	1	100	-	-	100	0.00	100	-	100	0.00	-	0.00	-	-	-	[●]
	Mr. Jatin Shashikant Movani	AAFPM7953D	1	100	-	-	100	0.00	100	-	100	0.00	-	0.00	-	-	-	[●]
	Mr. Amit Jamnadas Vaghajiyani	ACTPV5116B	1	100	-	-	100	0.00	100	-	100	0.00	-	0.00	-	-	-	[●]
	Mr. Samir Champaklal Doshi	AKSPD9118Q	1	100	-	-	100	0.00	100	-	100	0.00	-	0.00	-	-	-	[●]
(b)	Central Government/ State Government(s)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	-	<b>7</b>	<b>72,00,000</b>	-	-	<b>72,00,000</b>	<b>100.00</b>	<b>72,00,000</b>	-	<b>72,00,000</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	-	[●]
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Investor																
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	-	7	72,00,000	-	-	72,00,000	100.00	72,00,000	-	72,00,000	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 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)	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)	<b>Institutions</b>																		
(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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Central Government/ State Government(s) / President of India</b>	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>																
(a)	Individuals																
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 Body Corporate	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(3)</b>	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	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+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including)	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	No.	As a % of total Shares	No. (not applicable)		As a % of total shares held
									Class Equity	Classes	Total								



									Shares of Rs.10/- each	Y		g rights	ng Warrants		held		(not applicable)	
	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (c ) (1)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (C ) (2)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Non-Promoter Non-Public shareholding (C )= (C )(1)+(C ) (2)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

### 13. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-

As on date of this 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 of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Jayeshbhai Chhabildas Shah	62,39,200	86.66
2.	Mrs. Deepaben Jayeshbhai Shah	4,80,000	6.67
3.	Jayeshbhai Chhabildas Shah HUF	4,80,400	6.67
4.	Mr. Harshil Jayeshbhai Shah	100	0.00
5.	Mr. Jatin Shashikant Movani	100	0.00
6.	Mr. Amit Jamnadas Vaghajiyani	100	0.00
7.	Mr. Samir Champaklal Doshi	100	0.00
	<b>Total</b>	<b>72,00,000</b>	<b>100.00</b>

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 of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Jayeshbhai Chhabildas Shah	62,39,200	86.66
2.	Mrs. Deepaben Jayeshbhai Shah	4,80,000	6.67
3.	Jayeshbhai Chhabildas Shah HUF	4,80,400	6.67
4.	Mr. Harshil Jayeshbhai Shah	100	0.00
5.	Mr. Jatin Shashikant Movani	100	0.00
6.	Mr. Amit Jamnadas Vaghajiyani	100	0.00
7.	Mr. Samir Champaklal Doshi	100	0.00
	<b>Total</b>	<b>72,00,000</b>	<b>100.00</b>

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 of Shareholder	Shares Held (Face Value of Rs. 10/- each)	% of Paid Up Equity Shares as on date 2 years prior to the date of filing of the Draft Prospectus*
1.	Mr. Jayeshbhai Chhabildas Shah	15,59,900	86.66
2.	Mrs. Deepaben Jayeshbhai Shah	1,20,000	6.67
3.	Jayeshbhai Chhabildas Shah HUF**	1,20,100	6.67
	<b>Total</b>	<b>18,00,000</b>	<b>100.00</b>

\*Details of shares held on March 20, 2016 and percentage held has been calculated based on the paid up capital of our Company as on March 20, 2016

\*\* includes 1,20,000 shares held by Jayeshbhai Chhabildas Shah HUF as being sole proprietor of M/s Harshil Enterprise.

14. None of our public shareholders are holding more than 1% of the pre-Issue share capital of our Company.

15. Except as provided below no subscription to or sale or purchase of the securities of our Company was made 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.

Date of Allotment	Name of Shareholders	No. of Equity Shares allotted	% of Pre-Issue Capital	Subscribed/Acquired/ Transfer	Category of Allottees (Promoter/Promoter Group/Director)
December	Mr. Jayeshbhai Chhabildas Shah	74,100	1.03	Acquisition by	Promoter and

23, 2015				way of transfer	Director
March 05, 2016	Mr. Jayeshbhai Chhabildas Shah	1,25,000	1.74	Acquisition by way of transfer	Promoter and Director
March 05, 2016	Jayeshbhai Chhabildas Shah HUF	(1,25,000)	(1.74)	Transfer	Promoter Group
March 21, 2016	Mr. Jayeshbhai Chhabildas Shah	31,19,800	43.33	Bonus Issue	Promoter and Director
	Mrs. Deepaben Jayeshbhai Shah	2,40,000	3.33		Promoter and Director
	Jayeshbhai Chhabildas Shah HUF*	2,40,200	3.34		Promoter Group
December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	(400)	(0.01)	Transfer	Promoter and Director
December 23, 2017	Mr. Jayeshbhai Chhabildas Shah	15,59,900	21.67	Bonus Issue	Promoter and Director
	Mrs. Deepaben Jayeshbhai Shah	1,20,000	1.67		Promoter and Director
	Jayeshbhai Chhabildas Shah HUF	1,20,100	1.67		Promoter Group

\*Out of 2,40,200 shares allotted to Jayeshbhai Chhabildas Shah HUF, 2,40,000 shares has been allotted to it as being sole proprietor of M/s Harshil Enterprise.

None of our Directors or Key Managerial Personnel holds any Equity Shares other than as set out below as on date of Draft Prospectus:

S. No.	Name	Designation	No. of Equity Shares held
1.	Mr. Jayeshbhai Chhabildas Shah	Chairman & Managing Director	62,39,200
2.	Mrs. Deepaben Jayeshbhai Shah	Whole-time Director	4,80,000
3.	Mr. Jatin Shashikant Movani	Production Head	100
4.	Mr. Amit Jamnadas Vaghajiyani	Chief Financial Officer	100
5.	Mr. Samir Champaklall Doshi	Marketing Head	100

16. 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.
17. 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.
18. 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
19. 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.
20. Our Company has not raised any bridge loan against the proceeds of the Issue.
21. 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
22. As on the date of this Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
23. 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.

24. We hereby 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.
25. 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.
26. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
27. 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.
28. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. 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.
29. 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.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. 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.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. 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.
34. 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.
35. There are no Equity Shares against which depository receipts have been issued.
36. Other than the Equity Shares, there is no other class of securities issued by our Company.
37. We have 7 (Seven) shareholders as on the date of filing of the Draft Prospectus.
38. There are no safety net arrangements for this public issue.
39. As per RBI regulations, OCB's are not allowed to participate in this issue.
40. Our Promoters and Promoter Group will not participate in this Issue.
41. This Issue is being made through Fixed Price method.

42. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
43. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.
44. No person connected with the Issue 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 the 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 28,08,000 Equity Shares of our Company at an Issue Price of [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:-

1. Funding the Working Capital Requirements of the Company
2. Repayment of Unsecured Loan availed by our Company
3. General Corporate Expenses
4. Issue Expenses

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 engaged in manufacturing of clocks, clock movements and related items. 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.

(Collectively referred as the “objects”)

#### Requirement of Funds:-

The following table summarizes the requirement of funds:

S.No	Particulars	Amt (₹ in Lacs)
1.	Funding the Working Capital Requirements of the Company	[●]
2.	Repayment of Unsecured Loan availed by our Company	200.00
3.	To meet General Corporate Expenses	[●]
4.	To meet Issue Expenses	[●]
	<b>Gross Issue Proceeds</b>	[●]
	<b>Less: Issue Expenses</b>	[●]
	<b>Net Issue Proceeds</b>	[●]

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

**Utilization of Net Issue Proceeds:** The Net Issue Proceeds will be utilized for following purpose:

S.No	Particulars	Amt (₹ in Lacs)
1.	Funding the Working Capital Requirements of the Company	[●]
2.	Repayment of Unsecured Loan availed by our Company	200.00
3.	To meet General Corporate Expenses	[●]
	<b>Total</b>	[●]

**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	[●]
<b>Total</b>	[●]

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 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.

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.

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 14 of the Draft Prospectus.

#### Details of Use of Issue Proceeds:

##### 1. Funding the Working Capital Requirements of the Company

Our business is working capital intensive as the major capital is invested in inventories and trade receivables. The Company will meet the requirement to the extent of ₹ [●] from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ In Lacs)					
S. No.	Particulars	Actual (Restated)	Actual (Restated)	Provisional	Estimated
		31-March-16	31-March-17	31-March-18	31- March-19
I	<b>Current Assets</b>				
	Inventories	1,370.18	1,173.35	[●]	[●]
	Trade receivables	296.34	710.31	[●]	[●]
	Cash and cash equivalents	13.79	2.83	[●]	[●]
	Short Term Loans and Advances	330.70	146.56	[●]	[●]
	Other Current Assets	36.25	35.78	[●]	[●]
	<b>Total(A)</b>	<b>2,047.26</b>	<b>2,068.84</b>	[●]	[●]
II	<b>Current Liabilities</b>				
	Trade payables	384.02	398.32	[●]	[●]
	Other Current Liabilities	122.51	103.63	[●]	[●]
	Short Term Provisions	174.64	74.54	[●]	[●]
	<b>Total (B)</b>	<b>681.17</b>	<b>576.49</b>	[●]	[●]
III	<b>Total Working Capital Gap (A-B)</b>			[●]	[●]
IV	Funding Pattern				
	Short term borrowing & Internal Accruals	<b>1366.09</b>	<b>1492.35</b>	[●]	[●]
	<b>IPO Proceeds</b>				[●]

**Justification:**

S. No.	Particulars
Debtors	We expect Debtors Holding days to be at [●] Days for FY 2017-18 based on [●]
Creditors	We expect Creditors payments days to be [●] days due to [●]

**2. Repayment of Unsecured Loan availed by our Company:-**

Our Company proposes to utilize an amount of ₹ 200.00 lacs from the Net Proceeds towards part repayment of unsecured loans availed by our Company. Due to expansion in our business activities in the recent past, we had incurred certain indebtedness in the form of unsecured loan, which we have utilized in the general business activities of the Company.

Following are the details of Unsecured Loan availed by our Company, which we intend to repay out of the Issue Proceeds:-

Name of the Lender	Outstanding as on Feb. 28, 2018*	To be repaid from the Net Proceeds	Rate of Interest (p.a.)	Purpose#	Repayment terms
Mr. Jayeshbhai Chhabildas Shah	39.63	39.00	9.00%	For meeting working capital requirement and other business Purpose	On demand
Mrs. Deepaben Jayeshbhai Shah	161.63	161.00	9.00%		On demand
<b>Total</b>	<b>201.26</b>	<b>200.00</b>			

\*As certified by Statutory Auditor, D.V. Bakrania & Associates, Chartered Accountants, vide their certificate dated March 19, 2018.

#Our Statutory Auditor, D.V. Bakrania & Associates, Chartered Accountants through their certificate dated March 19, 2018 has further confirmed that these borrowings have been utilized for the purposes for which they were availed.

We believe our repayment of interest bearing debt will help us to reduce our cost towards “Finance Cost” and will improve our net earnings in the future. Further, it will help us to improve our ability to leverage equity for our future needs towards any of our existing operations and towards further expansion.

For further details, please refer to chapter titled “Statement of Financial Indebtedness” beginning on page 186 of this Draft Prospectus.

**3. General Corporate Purposes**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

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 the Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**4. 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 ₹ [●] which is [●] % of the Issue Size. All the Issue related expenses shall be met out by the company and the same will be distributed among the company and the selling shareholders as per the applicable laws.

All the Issue related expenses and the break-up of the same is as follows:



Activity	(Rs .in Laacs)*
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc*	[●]
Payment to Advisor to Issue	[●]
Printing and Stationery and postage expenses	[●]
Advertising and Marketing expenses	[●]
Statutory expenses	[●]
<b>Total Estimated Issue Expenses</b>	[●]

\*Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA's and CDPs

### **Proposed Schedule of Implementation:**

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

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in
		F.Y. 2018-19
1.	Funding the Working Capital Requirements of the Company	[●]
2.	Repayment of Unsecured Loan availed by our Company	200.00
3.	To meet General Corporate Expenses	[●]
	<b>Total</b>	[●]

### **Funds Deployed and Source of Funds Deployed:**

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)
Issue Expenses	[●]
<b>Total</b>	[●]

### **Sources of Financing for the Funds Deployed:**

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)
Internal Accruals	[●]
<b>Total</b>	[●]

### **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 the Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

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 the 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 authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details 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 Companies, in relation to the utilization of the Net Proceeds.

## BASIC TERMS OF ISSUE

### Authority for the Present Issue

#### Fresh Issue

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated February 21, 2018 and by the shareholders pursuant to a special resolution passed in an Extra Ordinary General Meeting held on February 26, 2018 under section 62 (1) (c) of the Companies Act, 2013.

#### Terms of the Issue

The Equity Shares, being issued, shall be subject to the provisions of the Companies Act, ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms and conditions of the Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the guidelines for listing of securities issued by the Government of India and 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.

<b>Face Value</b>	Each Equity Share shall have the face value of ₹ 10.00 each.
<b>Issue Price</b>	Each Equity Share is being issued at a price of ₹ [●] each and is [●] times of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is [●] and the multiple of [●]; subject to a minimum allotment of [●] Equity Shares to the successful Applicant.
<b>Terms of Payment</b>	100% of the issue price of ₹ [●] per share shall be payable on Application. For more details please refer “ <i>Terms of the Issue</i> ” beginning on page 225 of the Draft Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares being issued pursuant to this issued shall be subject to the provisions of Companies Act, 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 “ <i>Main Provisions of the Articles of Association</i> ” on page 272 of the 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 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 refund 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 225 of the 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 14, 88 and 136 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 ₹ 10.00 each and the Issue Price is Rs. [●] per share which is [●] times of the face value.

#### QUALITATIVE FACTORS

- Strategic location of manufacturing unit
- Facility for in-house production of clock movements
- Wide range of clock styles
- Certifications and compliance with Quality Standards
- Experienced Promoters and skilled workforce
- Strong & long-term relationship with our clients

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 88 of the Draft Prospectus.

#### QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 136 of this Draft Prospectus.

##### 1. Basic & Diluted Earnings per share (EPS) based on Restated Financial Statements:

Sr. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2014-15	0.57	1
2.	FY 2015-16	1.87	2
3.	FY 2016-17	1.12	3
	<b>Weighted Average</b>	<b>1.28</b>	<b>6</b>
	<b>For the period ended December 31, 2017*</b>	<b>3.14</b>	

\* Not Annualized

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 ₹ 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 [●] per share:

Sr. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2016-17	[●]
2	P/E ratio based on the Weighted Average EPS, as restated for FY 2016-17	[●]

### 3. Return on Net worth (RoNW)\*

Sr. No	Period	RONW (%)	Weights
1	FY 2014-15	7.00	1
2	FY 2015-16	15.79	2
3	FY 2016-17	8.63	3
	<b>Weighted Average</b>	<b>10.75</b>	<b>6</b>
	<b>For the period ended December 31, 2017**</b>	<b>19.46</b>	

\*Restated Profit after tax /Net Worth

\*\* Not Annualized

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

(a) Based on Basic and Diluted EPS, as restated of FY 2016-17 of ₹ 1.12 at the Issue Price of [●] per share:

[●] on the restated financial statements

(b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 1.28 at the Issue Price of [●] per share:

[●] on the restated financial statements

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

Sr. No.	As at	NAV (₹) (Based on Restated Financial Statements)
1.	March 31, 2015	8.14
2.	March 31, 2016	11.86
3.	March 31, 2017	12.98
4.	December 31, 2017	16.12
5.	NAV after Issue	[●]
	<b>Issue Price</b>	<b>[●]</b>

\*After adjustment of Bonus Shares

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

Sr. No.	Name of Company	Face Value (₹)	EPS (₹) <sup>3</sup>	PE <sup>4</sup>	RoNW (%)	NAV per Share (₹)
1.	Opal Luxury Time Products Limited <sup>5</sup>	1.00	(10.17)	-	(12.72)	74.97
2.	Sonam Clock Limited <sup>2</sup>	10.00	1.12	[●]	13.76	12.98

<sup>1</sup> \*Source: Ace Equity data dated March 06, 2018

<sup>2</sup> Based on March 31, 2017 Restated Financial Statements

<sup>3</sup> Basic & Diluted Earnings per share (EPS), as adjusted

<sup>4</sup> Price Earning (P/E) Ratio in relation to the Issue Price of [●] per share.

<sup>5</sup>Opal Luxury Time Products Limited was last traded on National Stock Exchange on January 18, 2018 and its last trading price was Rs. 110.00. Except for the aforementioned Company, none of the Listed Companies in India are engaged in the similar line of business. Further, the nature of business of Our Company and Opal Luxury Time Products Limited are not strictly comparable, however the same have been included for broad comparison.

7. The face value of our shares is ₹ 10.00 per share and the Issue Price is of [●] per share which is [●] times of the face value.
8. Our Company in consultation with the Lead Manager believes that the Issue Price of [●] 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.

Investors should read the above mentioned information along with section titled "**Our Business**", "**Risk Factors**" and "**Financial Information of the Company**" beginning on page 88, 14 and 136 respectively including important profitability and return ratios, as set out in "**Annexure AB**" to the Financial Information of the Company on page 182 of the Draft Prospectus to have a more informed view.

**STATEMENT OF TAX BENEFITS**

To,  
The Board of Directors,  
Sonam Clock Limited  
Survey No. 337/p, Morbi Rajkot Highway,  
Village Lajai, Taluka Tankara,  
District Morbi - Gujarat - 363641, India

Dear Sir,

**Sub: Statement of Possible Tax Benefits ('The Statement') available to Sonam Clock Limited ('The Company') and its shareholders prepared in accordance with the requirement in SCHEDULE VIII- CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ('The Regulation')**

We hereby report that the enclosed annexure prepared by Sonam Clock Limited, states the possible special Tax benefits available to Sonam Clock Limited ('the Company') and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company Further , the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ('the Issue') by the Company.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

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

**For D.V. Bakrania & Associates**  
**Chartered Accountants**  
**FRN 127116W**

Sd/-  
(CA. Dipak V. Bakrania)  
Proprietor  
M. No. 048331  
Place: Morbi  
Date: 22.02.2018

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

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

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

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

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.



## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

#### **Global Scenario:**

The global economy is experiencing a cyclical recovery, reflecting a rebound in investment, manufacturing activity, and trade. This improvement comes against the backdrop of benign global financing conditions, generally accommodative policies, rising confidence, and firming commodity prices. Global GDP growth is estimated to have picked up from 2.4 percent in 2016 to 3 percent in 2017, above the June forecast of 2.7 percent (Figure 1.1). The upturn is broadbased, with growth increasing in more than half of the world's economies. In particular, the rebound in global investment growth—which accounted for three quarters of the acceleration in global GDP growth from 2016 to 2017—was supported by favorable financing costs, rising profits, and improved business sentiment across both advanced economies and emerging market and developing economies (EMDEs). This synchronous, investment-led recovery is providing a substantial boost to global exports and imports in the near term.

In advanced economies, growth in 2017 is estimated to have rebounded to 2.3 percent, driven by a pickup in capital spending, a turnaround in inventories, and strengthening external demand. While growth accelerated in all major economies, the improvement was markedly stronger than expected in the Euro Area.

Growth among EMDEs is estimated to have accelerated to 4.3 percent in 2017, reflecting firming activity in commodity exporters and continued solid growth in commodity importers. Most EMDE regions benefited from a recovery in exports. The improvement in economic activity among commodity exporters took place as key economies—such as Brazil and the Russian Federation—emerged from recession, prices of most commodities rose, confidence improved, the drag from earlier policy tightening diminished, and investment growth bottomed out after a prolonged period of weakness. Nonetheless, the estimated pace of growth in commodity exporters in 2017, at 1.8 percent, was still subdued and not enough to improve average per capita incomes, which continued to stagnate after two consecutive years of contraction.

Global growth is projected to edge up to 3.1 percent in 2018, as the cyclical momentum continues, and then slightly moderate to an average of 3 percent in 2019-20.

#### **Global prospects**

Global growth picked up in 2017, supported by a broad-based recovery encompassing more than half of the world's economies. A substantial acceleration in global trade translated into strengthening export growth in most EMDE regions. As headwinds eased in commodity exporters, investment and activity bottomed out in 2017, but income per capita was stagnant. Despite the cyclical recovery, potential growth is likely to decline further, reflecting subdued capital deepening, slowing productivity growth, and less favorable demographics.

*(Source: Global Economic Prospects, January 2018: Broad-Based Upturn, but for How Long? Advance edition. Washington, DC: World Bank)*

**TABLE 1.1 Real GDP<sup>1</sup>**

(Percent change from previous year)

Percentage point differences from June 2017 projections

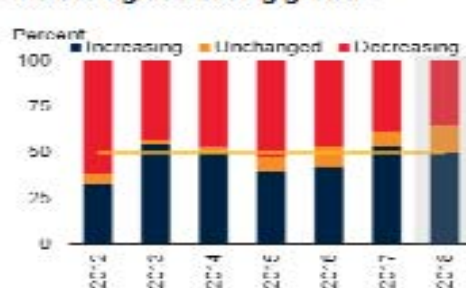
	2015	2016	2017e	2018f	2019f	2020f	2017e	2018f	2019f
<b>World</b>	2.8	2.4	3.0	3.1	3.0	2.9	0.3	0.2	0.1
<b>Advanced economies</b>	2.2	1.6	2.3	2.2	1.9	1.7	0.4	0.4	0.2
United States	2.9	1.5	2.3	2.5	2.2	2.0	0.2	0.3	0.3
Euro Area	2.1	1.8	2.4	2.1	1.7	1.5	0.7	0.6	0.2
Japan	1.4	0.9	1.7	1.3	0.8	0.5	0.2	0.3	0.2
<b>Emerging market and developing economies (EMDEs)</b>	3.6	3.7	4.3	4.5	4.7	4.7	0.2	0.0	0.0
Commodity-exporting EMDEs	0.4	0.8	1.8	2.7	3.1	3.1	0.0	0.0	0.2
Other EMDEs	6.1	5.9	6.0	5.7	5.7	5.7	0.3	0.0	-0.1
Other EMDEs excluding China	5.2	4.9	5.1	4.8	5.1	5.1	0.5	-0.1	0.0
East Asia and Pacific	6.5	6.3	6.4	6.2	6.1	6.0	0.2	0.1	0.0
China	6.9	6.7	6.8	6.4	6.3	6.2	0.3	0.1	0.0
Indonesia	4.9	5.0	5.1	5.3	5.3	5.3	-0.1	0.0	-0.1
Thailand	2.9	3.2	3.5	3.6	3.5	3.4	0.3	0.3	0.1
Europe and Central Asia	1.0	1.7	3.8	2.9	3.0	3.0	1.3	0.2	0.2
Russia	-2.8	-0.2	1.7	1.7	1.8	1.8	0.4	0.3	0.4
Turkey	6.1	3.2	6.7	3.5	4.0	4.0	3.2	-0.4	-0.1
Poland	3.8	2.9	4.5	4.0	3.5	3.1	1.2	0.8	0.3
Latin America and the Caribbean	-0.6	-1.5	0.9	2.0	2.6	2.7	0.1	-0.1	0.1
Brazil	-3.5	-3.5	1.0	2.0	2.3	2.5	0.7	0.2	0.2
Mexico	3.3	2.9	1.9	2.1	2.6	2.6	0.1	-0.1	0.1
Argentina	2.6	-2.2	2.7	3.0	3.0	3.2	0.0	-0.2	-0.2
Middle East and North Africa	2.8	5.0	1.8	3.0	3.2	3.2	-0.3	0.1	0.1
Saudi Arabia	4.1	1.7	0.3	1.2	2.1	2.2	-0.3	-0.8	0.0
Iran, Islamic Rep. <sup>2</sup>	-1.3	13.4	3.6	4.0	4.3	4.3	-0.4	-0.1	0.1
Egypt, Arab Rep. <sup>2</sup>	4.4	4.3	4.2	4.5	5.3	5.8	0.3	-0.1	0.0
South Asia	7.1	7.5	6.5	6.9	7.2	7.2	-0.3	-0.2	-0.1
India <sup>3</sup>	8.0	7.1	6.7	7.3	7.5	7.5	-0.5	-0.2	-0.2
Pakistan <sup>2</sup>	4.1	4.5	5.3	5.5	5.8	6.0	0.1	0.0	0.0
Bangladesh <sup>2</sup>	6.6	7.1	7.2	6.4	6.7	6.7	0.4	0.0	0.0
Sub-Saharan Africa	3.1	1.3	2.4	3.2	3.5	3.6	-0.2	0.0	0.0
South Africa	1.3	0.3	0.8	1.1	1.7	1.7	0.2	0.0	-0.3
Nigeria	2.7	-1.6	1.0	2.5	2.8	2.8	-0.2	0.1	0.3
Angola	3.0	0.0	1.2	1.6	1.5	1.5	0.0	0.7	0.0
<b>Memorandum items:</b>									
<b>Real GDP<sup>1</sup></b>									
High-income countries	2.3	1.7	2.2	2.2	1.9	1.8	0.3	0.3	0.2
Developing countries	3.6	3.8	4.5	4.7	4.8	4.9	0.2	0.0	-0.1
Low-income countries	4.7	4.5	5.1	5.4	5.5	5.7	-0.3	-0.4	-0.3
BRICS	4.0	4.4	5.2	5.3	5.4	5.4	0.2	0.1	0.0
World (2010 PPP weights)	3.3	3.2	3.7	3.7	3.7	3.7	0.3	0.1	0.0
<b>World trade volume<sup>4</sup></b>	2.7	2.3	4.3	4.0	3.9	3.8	0.3	0.2	0.1
<b>Commodity prices</b>									
Oil price <sup>5</sup>	-47.3	-15.6	23.8	9.4	1.7	1.7	0.0	3.7	-3.7
Non-energy commodity price index	-15.0	-2.6	4.9	0.6	0.8	1.2	0.9	-0.1	-0.2

(Source: Global Economic Prospects, January 2018: Broad-Based Upturn, but for How Long? Advance edition. Washington, DC: World Bank)

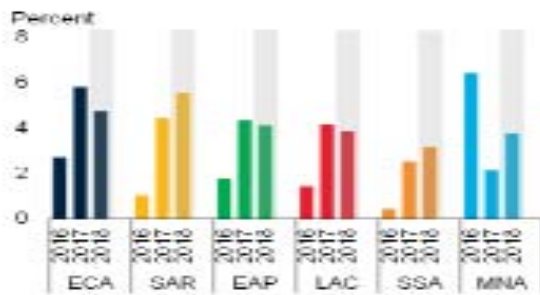
**A. Growth**



**B. Share of countries with increasing/decreasing growth**



**C. Export growth, by EMDE region**



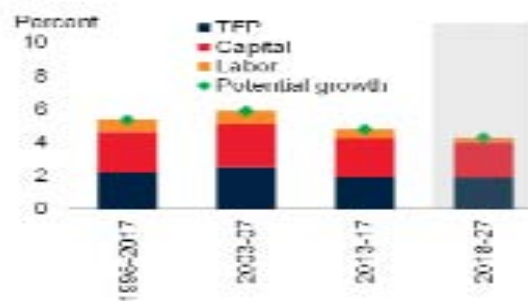
**D. Investment growth in commodity-exporting EMDEs, by region**



**E. EMDE growth**



**F. Contribution to EMDE potential growth**



(Source: *Global Economic Prospects, January 2018: Broad-Based Upturn, but for How Long? Advance edition. Washington, DC: World Bank*)

**Global risks and policy challenges**

Risks to the outlook remain tilted to the downside, despite the possibility of stronger-than-expected growth in large economies and associated positive international spillovers. Financial market volatility has been unusually low and asset prices have become highly valued, suggesting the risk of sudden market adjustments. Large negative output gaps in commodity exporters would suggest the need for accommodative policies, but fiscal space is limited. Structural reforms are essential to stem a further decline in potential growth in EMDEs.

(Source: *Global Economic Prospects, January 2018: Broad-Based Upturn, but for How Long? Advance edition. Washington, DC: World Bank*)

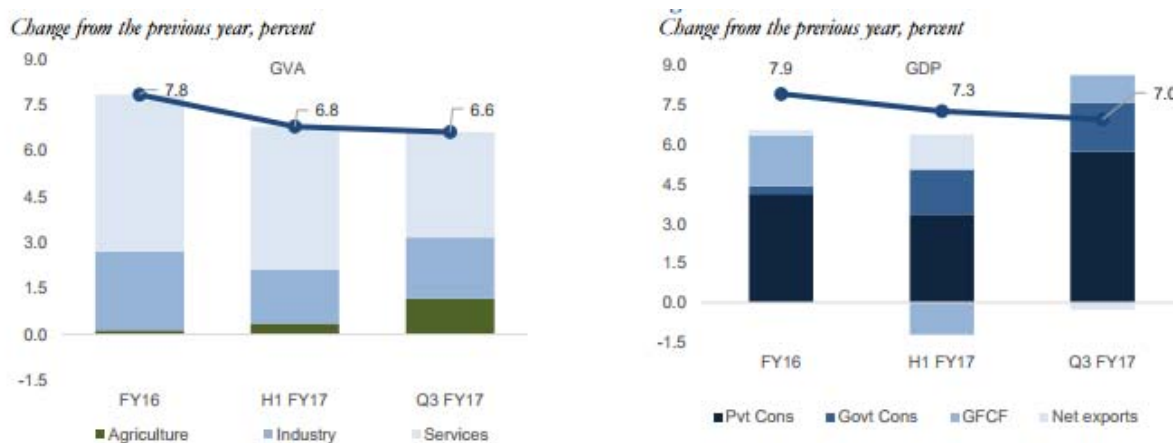
**Indian Economic Overview:**

A favorable monsoon generated tailwinds to India’s domestically-driven expansion. The Gross Domestic Product (GDP) expanded by 7.9 percent in FY16, the fastest pace in 5 years, supported by investment and urban consumption. The normal monsoon in FY17 boosted agriculture and rural consumption, while urban consumption remained robust. Despite renewed weakness in private investment and limited lift from external demand, India was poised to continue growing robustly in FY17 until “demonetization” dented growth, albeit moderately, causing immediate cash crunch, and affecting activity in cash reliant sectors. The cash crunch affected activity in cash reliant sectors and GDP growth slowed to 7.0 percent y/y during Q3 FY17, from 7.3 percent during H1 FY17. Such a modest slowdown can be explained by: (i) coping mechanisms (e.g. informal credit); (ii) higher rural wages and public

consumption; and (iii) higher reported sales to legitimize holdings of old currency and use of formal-sector indicators to measure informal activity, which exacerbated measured growth. The central government met its commitment to fiscal consolidation, but states increased spending and borrowing. The central government expects to meet its fiscal deficit target of 3.5 percent of GDP in FY17 as tax collection remained robust. The fiscal stance of the general government (center and states) is less clear as fiscal reporting by states, which have been undertaking a growing share of expenditure, is less reliable. There are indications, however, that state-level deficits have been on an increasing trend. External accounts remain robust. Exports contracted for five consecutive quarters, but turned positive in the second half of FY17, supported largely by higher prices and improvements in global trade, contributing to containing the current account deficit. Capital inflows accelerated, reflecting in part reforms in foreign direct investment (FDI) policies and in part global appetite for Indian equities. Consequently, foreign reserves rose to \$360bn, worth nearly nine months of imports.

Demonetization affected poor and vulnerable households, in all likelihood having an impact on construction and informal retail, where many poor and vulnerable individuals work. While limited data is available, there has been an increase in demand for guaranteed employment (up to February 2017 demand exceeded the full year FY16 level), and indicators of rural consumption (in particular, sales of two-wheelers) contracted sharply in November, before recovering. Economic activity ought to accelerate in FY18. GDP is projected to grow at 7.2 percent from 6.8 percent in FY17. The revision in forecasts reflects a combination of the impact of demonetization and an investment recovery that has proven more protracted than expected. Growth increases gradually to 7.7 percent by FY20, underpinned by recovery in private investments, which are “crowded-in” by the recent increase in public capital expenditure and improvement in investment climate. India’s fiscal, inflation and external conditions are expected to remain stable. The center will continue to consolidate modestly in FY18, while retaining the push towards infrastructure spending. Inflation will stabilize, supported by stable weather and structural reforms. A normal monsoon has offset increases in petroleum prices, the government amended the RBI Act to reflect a (central) inflation target of 4 percent and established a Monetary Policy Committee (MPC), boosting the credibility of the central bank. The exchange rate has appreciated, partly reflecting expectations of a narrowing inflation gap between India and the USA and limited external vulnerability as the current account deficit is expected to remain below 2 percent of GDP and fully financed by FDI inflows.

There are significant risks to India’s favorable growth outlook. First, continued uncertainties in the global environment, including rising global protectionism and a renewed slowdown in the Chinese economy, could further delay a meaningful recovery of external demand. Second, private investment continues to face several impediments in the form of corporate debt overhang, stress in the financial sector, where NPAs continue to increase, excess capacity and regulatory and policy challenges. Subdued private investment would put downside pressures on India’s potential growth. Finally, further rapid increases in oil and other commodity prices could lead to a negative terms-of-trade shock. On the other hand, smooth implementation of the Goods and Services Tax (GST) and faster resolution of banking sector stress could prove to be an upside risk to economic activity.



(Source: - <http://documents.worldbank.org/curated/en/107761495798437741/pdf/115297-WP-P146674-PUBLIC.pdf>)

After registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be 6.5 per cent in 2017-18, as per first Advance Estimates released by CSO. This is slightly lower than the range of 6.5 per cent to 6.75 per cent being currently projected based on recent developments. Even with this lower growth for 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable. In addition to the introduction of GST, the year

also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the momentum of reforms. After remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and strengthened further in 2017-18. There was an augmentation in the spot levels of foreign exchange reserves to close to US\$ 414 billion, as on 12th January 2018. Concerns have been expressed about growing protectionist tendencies in some countries and it remains to be seen as to how the situation unfolds. Additionally, average crude oil (Indian basket) prices have risen by around 14 per cent so far in 2017-18 (mid January 2018) vis-à-vis 2016-17. Going by the recent trends, the average crude oil prices could be in the vicinity of US\$ 56-57 per barrel in the current financial year and could rise further by another 10- 15 per cent in 2018-19. Some of these factors could have dampening effect on GDP growth in the coming year. However, with world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should be supporting higher growth. On balance, country's economic performance should witness an improvement in 2018-19.

Several industry specific reform initiatives taken by the Government since 2014 have significantly improved the overall business environment in the country. The reform process has been comprehensive in scope covering Centre and the State Governments. As a result, India has leapt 30 ranks over its previous rank of 130 in the World Bank's latest Doing Business Report 2018. Credit rating company Moody's Investors Service has also raised India's rating from the lowest investment grade of Baa3 to Baa2 (Details in Box 1). This has been made possible due to a host of measures undertaken by the Government including implementation of the Goods and Services Tax, Insolvency and Bankruptcy Code, introduction of inflation targeting regime and announcement of bank recapitalization. Other measures to facilitate ease of doing business include initiation and simplification of online application for Industrial License and Industrial Entrepreneur Memorandum, integration of twenty services with the eBiz portal which functions as a single window portal for obtaining clearances from various Government agencies, limiting the number of documents required for export and import to three by DGFT.

As per the latest Quarterly Estimates of Gross Domestic Product, overall industrial sector growth was significantly higher at 5.8 per cent in Q2 as compared to 1.6 per cent in Q1 of 2017-18. This was mainly due to the robust growth of 7.0 per cent in manufacturing sector in Q2 of 2017- 18, as seen in Table 1. As per the first advance estimate of national income 2017-18, overall industrial sector growth is at 4.4 per cent with manufacturing growth at 4.6 per cent.

**(Source: Economic Survey Report 2017-18, Ministry of Finance, Government of India)**

**Index of Industrial Production (IIP) Growth Rates (per cent)**

	Weight	2015-16	2016-17	2017-18 (April-November)
General Index	100	3.3	4.6	3.2
<i>Sectoral Classification</i>				
Mining	14.4	4.3	5.3	3.0
Manufacturing	77.6	2.8	4.4	3.1
Electricity	8.0	5.7	5.8	5.2
<i>Use Based Classification</i>				
Primary goods	34.0	5	4.9	3.4
Capital goods	8.2	3	3.2	2.1
Intermediate goods	17.2	1.5	3.3	0.9
Infrastructure/ construction goods	12.3	2.8	3.9	3.8
Consumer durables	12.8	3.4	2.9	-1.4
Consumer non-durables	15.3	2.6	7.9	9.4

Source: Central Statistics Office

**(Source: Economic Survey Report 2017-18, Ministry of Finance, Government of India)**

### **Foreign Direct Investment:**

Foreign Direct Investment (FDI) has been an important source of financing for the economy. FDI policy reforms announced in 2016 brought most of the sectors under automatic approval route, except a small negative list. Total FDI inflow grew by 8 per cent i.e. US\$ 60.08 billion in 2016-17 in comparison to US\$ 55.56 billion of the previous year. It is the highest ever for a particular financial year. In 2017-18, till September, the inflow of total FDI was to the quantum of US\$ 33.75 billion. In terms of share in FDI Equity inflows, Mauritius, Singapore and Japan have been top three countries in India contributing 36.17 per cent, 20.03 per cent and 10.83 per cent of the total FDI Equity Inflows during 2016-17. In terms of the Sectors receiving FDI Equity inflows, Services (Finance, Banking,

Insurance etc.), Telecommunications and Computer Software & Hardware have been the top three sectors with a share of 19.97 per cent, 12.80 per cent and 8.40 per cent respectively.

**(Source: Economic Survey Report 2017-18, Ministry of Finance, Government of India)**

### **Make In India:**

The 'Make in India' programme was launched on 25th September 2014 which aims at making India a global hub for manufacturing, research & innovation and integral part of the global supply chain. The Government has identified ten 'Champions sectors' that have potential to become global champion, drive double digit growth in manufacturing and generate significant employment opportunities. The sectors have been identified for renewed focus under the Make in India version 2.0 including Capital goods, Auto and Auto Components, Defence & Aerospace, Biotechnology, Pharmaceuticals and Medical Devices, Chemicals, Electronic System Design & Manufacturing (ESDM), Leather & Footwear, Textiles & Apparels, Food Processing, Gems & Jewellery, New & Renewable Energy, Construction, Shipping and Railways.

**(Source: Economic Survey Report 2017-18, Ministry of Finance, Government of India)**

### **India's Merchandise trade:**

The year 2016-17 was characterized by positive growth in merchandise exports after two years of negative growth. Similarly, merchandise imports also printed positive growth in 2016-17 after three years of negative growth. Imports declined by around US \$107 billion from US\$ 491 billion in 2012-13 to US\$ 384 billion in 2016-17. This was mainly due to a reduction in value of imports of crude oil and petroleum products to the tune of US \$77 billion along with US \$26.4 billion reduction of gold and silver imports during this period. Thus, these two commodity groups accounted for nearly 97 per cent of the reduction in imports. The reduction in oil imports could be mainly attributed to a sharp fall in the prices of crude oil in international market. The import price of Indian basket of crude oil declined from an average of around US \$108 per barrel in 2012-13 to US \$47.6 per barrel in 2016-17. Reduced prices of petroleum products also resulted in lower value of POL exports from nearly US\$ 61 billion in 2012-13 to US\$ 32 billion in 2016-17. The non-POL exports increased from US\$ 239.5 billion in 2012-13 to US\$ 244.3 billion in 2016-17. The total merchandise exports declined by nearly US\$ 24.5 billion in these years.

**(Source: Economic Survey Report 2017-18, Ministry of Finance, Government of India)**

### **Industrial, Corporate and Infrastructure Performance:**

As per the Index of Industrial Production (IIP), which is a volume index with base year 2011-12, the industrial output increased by 3.2 per cent during April-November 2017-18 vis-à-vis the corresponding period of previous year. This was a composite effect of growth in electricity generation at 5.2 per cent and growth in mining and manufacturing sectors at 3.0 per cent and 3.1 per cent respectively. In November 2017, the IIP registered a growth of 8.4 per cent to take the April-November growth to 3.2 per cent over the corresponding period of previous year. The eight Core infrastructure supportive industries, viz. coal, crude oil, natural gas, petroleum refinery products, fertilizers, steel, cement and electricity that have a total weight of nearly 40 per cent in the IIP attained a cumulative growth of 3.9 per cent during April-November 2017-18 over the corresponding period of previous year. The production growth of coal, natural gas, refinery products, steel, cement and electricity were positive. The steel production increased substantially, while the production of crude oil and fertilizers fell marginally during the period.

Nominal outstanding credit growth to industry at end November 2017 was 1 per cent higher as compared to end November 2016 as per the latest RBI data. Demand for funds by Indian firms, in the wake of the credit slowdown, has been somewhat met by alternative sources such as corporate bonds, external commercial borrowings and commercial paper.

India has leapt 30 ranks over its previous rank of 130 in the World Bank's latest Doing Business Report 2018. Moody's Investors Service has also raised India's rating from the lowest investment grade of Baa3 to Baa2. This has been made possible due to a host of measures undertaken by the Government including implementation of GST, Insolvency and Bankruptcy Code, and announcement of bank recapitalization. A number of reforms were undertaken to boost industrial growth including Make in India programme, Start-up India and Intellectual Rights Policy

A larger reduction in value of imports vis-à-vis that of exports helped in significant improvement in the merchandise trade balance, from US\$ 190 billion in 2012-13 to US\$ 108.5 billion in 2016-17 (Figure 9). The reduction in trade deficit in this period has been the major contributor to bringing about an improvement in the current account deficit that declined from 4.8 per cent of GDP in 2012-13

to around 0.7 per cent of GDP in 2016-17. With capital flows remaining at healthy levels, the foreign exchange reserves steadily increased from US\$ 292 billion at the end of March 2013 to US\$ 370 billion at the end of March 2017.

(Source: Economic Survey Report 2017-18, Ministry of Finance, Government of India)

### **Indian Retail Industry**

The Indian retail industry has experienced high growth over the last decade with a noticeable shift towards organized retailing formats. The industry is moving towards a modern concept of retailing. The size of India's retail market was estimated at US\$ 435 billion in 2010. Of this, US\$ 414 billion (95% of the market) was traditional retail and US\$ 21 billion (5% of the market) was organized retail. India's retail market is expected to grow at 7% over the next 10 years, reaching a size of US\$ 850 billion by 2020. Traditional retail is expected to grow at 5% and reach a size of US\$ 650 billion (76%), while organized retail is expected to grow at 25% and reach a size of US\$ 200 billion by 2020. As India's retail industry is aggressively expanding itself, great demand for real estate is being created. The cumulative retail demand for real estate across India is expected to reach 43 million square feet by 2013. Around 46 per cent of the total estimated demand between 2009 and 2013 will be come from Tier-1 cities. For instance, Pantaloon Retail added 2.26 million square feet (sq. ft.) of retail space during the fiscal 2011 and booked over 9 million sq. ft of retail space to fructify its expansion plans in future.

(Source: [http://ficci.in/sector/33/Project\\_docs/Sector-prof.pdf](http://ficci.in/sector/33/Project_docs/Sector-prof.pdf))

In India, retailing has been an important service Industry. In particular, with faster growth of the overall economy, higher disposable incomes, and rapid urbanization in recent years, there has been acceleration in the growth of this sector. In fact, it has been identified as an emerging industry with enormous future growth potential.

The Indian retail sector accounts for 22 per cent of the country's gross domestic product (GDP) and contributes to 8 per cent of the total employment. India continues to be among the most attractive investment propositions for global retailers. Cumulative foreign direct investment (FDI) inflows in single-brand retail trading, during April 2000 to June 2011, stood at US\$ 69.26 million.

The retail industry in India consists of the traditional formats of retailing such as the local kirana shops, owner operated general stores, paanbeedi shops, convenience stores, handcart and pavement vendors, weekly haats and bazaars, and the organized retail sector which includes licensed retailers. The privately owned large retail businesses and the corporate-backed retail chains and hypermarkets constitute the organized retail industry in India. Such retail business is extensively seen in Tier-1 cities such as New Delhi, Mumbai, Chennai, Kolkata, Hyderabad and Bangaluru.

It is noteworthy that the retail industry in India is highly fragmented with millions of tiny outlets scattered all over the country. The proliferation of retail outlets is primarily explained by the relative ease with which a retail outlet can be established. The traditional forms of retailing require low investment and minimal infrastructure. Retailers in the organized sector are also expanding in Tier-2 and Tier-3 cities such as Agra, Ahmedabad, Bhubaneswar, Dehradun, Pune, etc. (Tier-2 cities); and Ganganagar, Muzaffarnagar, Nizamabad, Ernakulam, Roorkee, etc. (Tier-3 cities). However, one unique aspect of India's retail sector is that along with these modern formats, all other traditional formats of the earlier stages coexist.

The US-based global management consulting firm, A. T. Kearney, in its *Global Retail Development Index* (GRDI) 2013, has ranked India as the fourteenth most attractive destination for retail investment, among the 30 emerging markets.

(Source: [http://164.100.47.193/intranet/Information%20Bulletin\(India's%20Retail%20Sector\)English.pdf](http://164.100.47.193/intranet/Information%20Bulletin(India's%20Retail%20Sector)English.pdf))

### Effects of FDI on Retail Sector: Views For and Against

#### Views For

- With FDI in the retail sector organised sector will grow and it will generate revenue for the government.
- Will infuse capital and develop efficient supply chain logistics.
- At least 50 per cent of total investment will be in villages.
- Transformation of rural India through improved agro-processing and cold chain.
- Farm produce reaches store directly thereby, reducing wastage.
- Excessive reliability on intermediaries/mediators would fade away.
- Farmers will benefit immensely as retailers will introduce stability and economies of scale.
- Farmers will receive better/fair prices by directly selling to organised retailers.
- Farm produce will reach in hygienic conditions to stores directly resulting in good quality, quantity and at lower prices to the consumers.
- Consumers will benefit from the product choice to choose from variety of goods.
- Will provide superior technical and operational expertise.
- Will provide a larger market which may spread beyond national boundaries.
- Will check inflation by increased competition and resultant lower price.
- Will create jobs not only in the front-end retailing but also in the activities at back-end retailing.

#### Views Against

- Foreign retailers may not necessarily source their supplies from the local farmers, suppliers, and domestic manufacturers.
- Farmers may face problems like rejection of supplies because of non-compliance with quality standards.
- Small farmers will not benefit from the FDI policy.
- Difficulties may arise in disposing rejected quantities and in complying with inconvenient delivery schedules.
- Big retailers may be unwilling to extend production and consumption loans to farmers.
- Farmers and domestic manufacturers may lose their markets.
- Will mainly cater to high-end consumers placed in tier-1 and tier-2 cities and will not deliver mass consumption goods for consumers in villages and small towns.
- Workers safety and policies are not defined/mentioned clearly.
- Will affect around 50 million small merchants in India.
- Retailers face heavy loss of employment and profit.
- Will lead to an increase in the real estate cost.

### Key Challenges

Some of the key challenges faced by the sector are:-

1) Shortage of skilled manpower - Front-end/retail assistant profiles in stores form a major proportion of the employment in the retail sector while store operations account for 75-80% of the total manpower employed in the organized retail sector. Unfortunately, there are very few courses specific to the retail sector and graduates/post graduates from other streams are recruited. Further, retail training opportunities such as niche courses for areas like merchandising, supply chain and so on are limited. The condition is more alarming in the unorganized sector where the manpower is not equipped with even the basic level of retail specific and customer service skills, which adds to their incompetence vis-à-vis the organized sector. A cohesive effort to develop skills within the sector can have a significant potential impact on productivity and competitiveness, both within the sector and on the wider economy.

2) Lack of industry status - Due to the absence of 'industry status', organized retail in India faces difficulties in procurement of organized financing and fiscal incentives. The Government should grant the much needed 'industry status' to the sector so that the sops that come with it help promote both big & small retailers.



3) Policy induced barriers – Organized retail in India is managed by both the Ministries of Commerce & Consumer Affairs. While the Ministry of Commerce takes care of the retail policy, the Ministry of Consumer Affairs regulates retailing in terms of licenses and legislations. There is a need to govern retail operations through a single apex body. A single agency can take care of retail operations more effectively, especially with regard to addressing the grievances of retailers. The development of the retail sector can take place at a faster pace if a comprehensive legislation is enacted.

4) Real estate - Lack of sophisticated retail planning is another major challenge the sector faces. Available space is easily interchangeable between commercial and retail use. In most cities, it is difficult to find suitable properties in central locations for retail, primarily due to fragmented private holdings, infrequent auctioning of large government owned vacant lands and litigation disputes between owners.

(Source: [http://ficci.in/sector/33/Project\\_docs/Sector-prof.pdf](http://ficci.in/sector/33/Project_docs/Sector-prof.pdf))

High Operating Costs, low bargaining power with vendors, and heavy discounting to improve sales have affected profits and expansion plans in India's retail sector. Real estate cost and space availability also remain important issues. Many players in the India's retail sector are, therefore, actively looking at improving sales productivity, cutting operating costs and reducing store size.

However, the long-term fundamentals for retail trade are strong in India with its large, young and increasingly brand and fashion conscious population. During the last two decades, India's middle class has grown significantly with its increased average income and consumer aspirations. With the improvement in transportation and communication infrastructure, there has also been a convergence of consumer tastes. Furthermore, India has a relatively young population. The median age is about 26 years. That is, more than 600 million people are under the age of 26 years. They are not only a source of very large future demand but also their tastes and preferences are likely to be less rigid and, therefore, more amenable to the changing composition of the consumer products.

(Source: [http://164.100.47.193/intranet/Information%20Bulletin\(India's%20Retail%20Sector\)English.pdf](http://164.100.47.193/intranet/Information%20Bulletin(India's%20Retail%20Sector)English.pdf))

### **Clock Industry in India**

With the concentration of Clock industry at Morbi and to some extent at Rajkot in Gujarat, and some makers/assemblers based in Delhi and other parts of India, this industry has over time grown into a full-fledged activity. Presently, there are about 18-20 brands in India, involved in regular clock manufacturing, assembling and marketing activity on a national and international level, and are assisted with a countrywide network, who have turned into popular household names, with Morbi, being the hub for manufacture of essential components required for clocks such as cabinets, dials and hands, even though, there are some vital components like IC quartz crystals (Integrated Circuit) for clock movements, which have to be procured through imports from other countries, as India still does not manufacture these domestically.

The large players in the industry such as Ajanta India Ltd., Ajanta Mfg. (Oreva Group), Sonam Clock Ltd, Rikon Clocks Manufacturing Co. produce approx. 15 million clocks per annum. The small units in the industry makes contribution of approx. 15 million clocks per annum, thereby making total production in the industry of 30 million clocks per annum. The variety of clocks manufactured in India includes: Wall Clocks (striking and non striking), Digital Clocks, Table Clocks, Alarm Timepieces, Industrial Clocks, Grandfather Clocks & Tower Clocks. And, all these are made domestically within India. Seeing the potential that India offers for clocks, many international brands too, like Seiko, Rhythm, Casio, Q&Q & Kairos among others, have also forayed into India to market their products and are quite successful in selling their products.

The recently announced Customs Duty on Imported clocks as well as other new regulatory impositions by the Government, such as introduction of GST and the likely to be announced E-way bill, will help a great deal in pushing the "make in India" concept as well as eliminating from the scene those businesses that were operating nefariously by evading payment of taxes. This will help the Organised Players grow their businesses and progressively move forward.

(Source: *TradePost – The international Watch & Clock Magazine*)

## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Sonam”, “Company” or “we”, “us” or “our” means Sonam Clock Limited.

All financial information included herein is based on our “Financial information of the Company” included on page 136 of this Draft Prospectus.

## OVERVIEW

Incorporated in 2001, we are a clock manufacturing Company situated in Morbi, Gujarat. We offer a wide range of table and wall clocks at various price points across budget, mid-level and premium styles. As on February’18, we are offering clocks from a price range of ₹100 to ₹1800 which includes LED digital clocks, LCD clocks, light sensor clocks, pendulum clocks, musical clocks, rotating pendulum musical clocks, sweep clocks, office clocks, designer clocks, alarm clocks, table clocks and regular clocks. We also offer customized corporate clocks in bulk quantities for corporate gifting purpose.


Our products are sold mainly to clock dealers, retailers, corporates, gifts and novelties stores, through which it reaches to end consumers. Our products are sold under the brand name of Sonam, ampm and Lotus. In F.Y. 2016-17, our net revenue from operations comprised of Rs. 3792.85 lakhs of which approximately 40% comprised of export sales to Middle - East countries such as Dubai and Iraq. Our Manufacturing facility is located in Morbi, Gujarat and has present installed production capacity of approximately 72 lakhs p.a. for clocks and 240 lakhs p.a. for clock movements. A Clock movement, also known as caliber, is an internal mechanical part of the clock, which drives hour, minute and second hands of clock in motion. We are also engaged in sale of clock parts which includes clock movements, clock cases etc.









We are ISO 9001:2008 accredited Company and we have grown many folds during the past decade under the leadership and guidance of our Promoter, Chairman and Managing Director, Mr. Jayeshbhai Chhabildas Shah, who has an experience of over 30 years in the field of clock industry. His expertise and experience has been instrumental in the growth of our business.








As per restated financial statements for the period ended on December 31, 2017 and fiscal year ended on March 31, 2017, March 31, 2016 and March 31, 2015, the total revenue of our Company stood at Rs. 3861.88 lakhs, Rs. 3903.16 lakhs, Rs. 3682.35 lakhs and Rs. 3405.67 lakhs respectively. Further, our PAT for the period ended on December 31, 2017 and fiscal year ended on March 31, 2017, March 31, 2016 and March 31, 2015 stood at Rs. 225.90 lakhs, Rs.80.70 lakhs, Rs. 268.11 lakhs and Rs. 40.99 lakhs respectively.







## OUR PRODUCTS

The clocks manufactured by us are marketed and sold under our brand names of “Sonam”, “Lotus” and “ampm”. Our range of clocks can be broadly classified into following categories:-

S. No.	Category	Products	Specifications
1	Rotating Pendulum Musical Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 740 to 1440</li> <li>- Melodious Tunes</li> <li>- 360° Rotating Pendulum</li> <li>- Standard Size: 490 x 285 mm</li> </ul>

2	Pendulum Musical Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 695 to 1035</li> <li>- Melodious Tunes</li> <li>- Swinging Pendulum</li> <li>- Standard Size: 500 x 290 mm</li> </ul>
3	Rotating Musical Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 740 to 855</li> <li>- Melodious Tunes</li> <li>- Standard Size: 430 x 290 mm</li> </ul>
4	Pendulum Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 340 to 585</li> <li>- Swinging Pendulum</li> <li>- Standard Size: 375 x 310 mm</li> </ul>
5	Musical Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 495 to 565</li> <li>- Melodious Tunes</li> <li>- Standard Size: 338 x 298 mm</li> </ul>
6	Divine Clock (with/ without tune)		<ul style="list-style-type: none"> <li>- Price range Rs. 450 to 495</li> <li>- Standard Size: 340 x 268 mm</li> </ul>
7	Light Sensor Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 675</li> <li>- Standard Size: 360 x 360 mm</li> </ul>
8	LCD Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 945 to 1440</li> <li>- Standard Size: 445 x 445 mm</li> </ul>
9	LED Digital Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 855 to 1980</li> <li>- Standard Size: 295 x 395 mm</li> </ul>

10	Table Clock		<ul style="list-style-type: none"> <li>- Price Rs. 540</li> <li>- Standard Size: 280 x 220 mm</li> </ul>
11	Sweep Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 270 to 1260</li> <li>- Standard Size: 510 x 510 mm</li> </ul>
12	Sweep Office Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 360 to 1665</li> <li>- Standard Size: 610 x 610 mm</li> </ul>
13	Office Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 315 to Rs. 1080</li> <li>- Standard Size: 400 x 400 mm</li> </ul>
14	Night Glow Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 360 to 450</li> <li>- Standard Size: 320 x 317 mm</li> </ul>
15	Designer Clocks		<ul style="list-style-type: none"> <li>- Price range Rs. 290 to 810</li> <li>- Standard Size: 515 x 330 mm</li> </ul>
16	Classy Dial Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 125 to 360</li> <li>- Standard Size: 275 x 275 mm</li> </ul>

17	Regular Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 205 to 765</li> <li>- Standard Size: 355 x 355 mm</li> </ul>
18	Diamond Series Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 250 to 270</li> <li>- Standard Size:- 290 x 290 mm</li> </ul>
19	Picture Dial Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 180 to 360</li> <li>- Standard Size: 320 x 320 mm</li> </ul>
20	Economy Clock		<ul style="list-style-type: none"> <li>- Price range Rs. 135 to 210</li> <li>- Standard Size: 260 x 260 mm</li> </ul>
21	Alarm Timepiece		<ul style="list-style-type: none"> <li>- Price range Rs. 105 to 425</li> <li>- Standard Size: 95 x 127 mm</li> </ul>
22	Corporate Clock		<ul style="list-style-type: none"> <li>- Price as per order requirement of Customer.</li> <li>- Standard Size: 413 x 413 mm</li> </ul>

**OUR LOCATION**

<b>Registered Office &amp; Factory</b>	Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India
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**Picture of the Registered Office & Factory:-**



## OUR COMPETITIVE STRENGTHS

### *1. Strategic location of manufacturing unit*

Our manufacturing facility is located in Morbi, Gujarat which is considered as manufacturing hub of clocks and ceramic industries in India. Being strategically located in Morbi, we get easy access to skilled labors having experience in clock industry as well as local raw material supplies. Morbi is connected to National Highway (NH – 8A), which connects Morbi and various major cities of Gujarat State. Further, the distance between Morbi and Mundra port is 200 kms, which facilitates ease in import and export. Also, Morbi is well connected with roadways. Due to aforesaid reasons, we believe that the location of our manufacturing unit brings cost efficiencies in procurement of manpower and local raw material and also reduce logistic cost which helps us to achieve economies of scale.

### *2. Facility for in-house production of clock movements*

We have in house Manufacturing facility for production of clock movement, which is an integral part of the Clock. A Clock movement, also known as caliber, is an internal mechanical part of the clock, which drives hour, minute and second hands of clock in motion. The in house production of clock movement enables us to achieve an edge over our competitors which rely on outside parties for supply of clock movements. The in-house manufacturing facility for clock movement enables us to maintain high quality production standards and also helps us in minimizing production time and bringing cost effectiveness.

### *3. Wide range of clock styles*

Our Company offers a diverse range of clocks which varies in styles as well as price range. Such diverse product mix helps us in catering to diverse customer segments including corporate sector. We believe that with our diverse product mix, we have transformed the clock from a mere timepiece to a piece of art. Our range of products allows our existing customers to source most of their product requirements under one roof and also enables us to expand our business from existing customers as well as address a larger base of potential new customers.

### *4. Certifications and compliance with Quality Standards*

Our Company has received ISO Certifications from Dubai Accreditation Center (DAC), member of Multilateral Recognition Arrangements (IAF) certifying that our Quality Control System was found to be in accordance with the requirements of ISO 9001:2008 for design, manufacture and supply of quartz clocks, time pieces, gift articles (clocks) and digital clocks to National and International Markets. We believe that such certification would allow us to market our products and it also provides assurance to our domestic as well as overseas customers for the quality of our products.

#### ***5. Experienced Promoters and skilled workforce***

The business of our Company is backed and driven with the strengths, expertise and ability of our Promoters. Both the Promoters, Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah have mentored the management of our Company since its incorporation. Our Promoters have played an important role in the growth of our Company. Mr. Jayeshbhai Chhabildas Shah, our Chairman & Managing Director has started the business as first generation entrepreneur by way of marketing of clocks in Mumbai for nearly 10 years before shifting their business to Morbi in 1995-96. After gaining extensive experience in clock industry, they incorporated Sonam Clock Private Limited in 2001 with an objective to venture into clock manufacturing business. We believe that his extensive experience of over 30 years in clock industry has benefitted our Company to grow into multifold during the last 20 years. Further, the support of our management team has helped us to leverage our existing business skills, relationships with our customers and market visibility to further enhance our existing strength in the clock industry and to expand our product offerings and geographic presence, both within India and abroad.

#### ***6. Strong & long-term relationship with our clients***

We maintain long terms relationships with our key customers by strategically aligning our offerings with their business needs. Our long standing partnerships with our customers are also built on our successful execution of prior engagements. We believe our track record of timely delivery of quality products and demonstrated technical expertise has helped in forging strong relationships with our customers.

### **OUR BUSINESS STRATEGIES**

#### ***1. Improving operational efficiency and product quality***

Our Company intends to improve efficiencies to achieve cost reductions so as to gain competitive edge over the peers. We believe that this can be done through economies of scale, continuous process improvement, and customer service and technology development. Also, quality products and service of global standards are of utmost importance for customer retention.

#### ***2. Focus on consistently meeting quality standards***

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous project review and timely corrective measures in case of diversion and technology upgradation are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing our brand value and maintaining long term relationships with customers.

#### ***3. To build-up a professional organization***

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

#### ***4. Develop cordial relationship with our Suppliers, Customer and employees***

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over a number of years. We bag and place repetitive order with our customers as well as with our suppliers. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

## OUR MANUFACTURING PROCESS

### Clocks:-

The process of manufacturing of clock can be divided in following segment.

1. Molding Process
2. Colouring / Metalizing Process
3. Glass Washing & Cutting Process
4. Assembling & Fitting Process
5. Quality Checking Process
6. Packing And Storing Process

#### **Molding Process:**

In this process, plastic granules are placed in injection molding machine, wherein plastic granules are heated at a temperature of over 200° c in the molding chamber. The heated plastic granules are cooled down and are placed in clock shaped moulds/dies, which produces the clock body also called as clock cabinet. The Company produces various types of clock cabinets through injection molding machine. The selection of the dies depends on the design of the clock to be manufactured by the Company.

#### **Colouring/ Metalizing Process:**

In this process, clock cabinets and clock parts such as rings, pendulum, housing etc, are processed with hot foil stamping machine, which results in colouring of clock cabinet and clock parts. Alternatively, we also use colour sprayers to colour the clock cabinets and clock parts. Also we have another alternative of metalizing, which gives reflecting silver / gold coating to the clock cabinet, ring or clock part.

#### **Glass Washing & Cutting:**

In this process, glasses are first washed, and then are placed into glass cutting machine, which cuts the clock glass in the pre-defined size and shape according to the requirement of the model.

#### **Assembling & Fitting Process:**

In this process, clock is assembled with clock hands, clock movement, battery, clock case (cabinet), glass which is cut manually by the workers with the help of general hand tools. All the clock parts are placed on the conveyor belts, wherein they are assembled by separate group of workers.

#### **Quality Checking Process:**

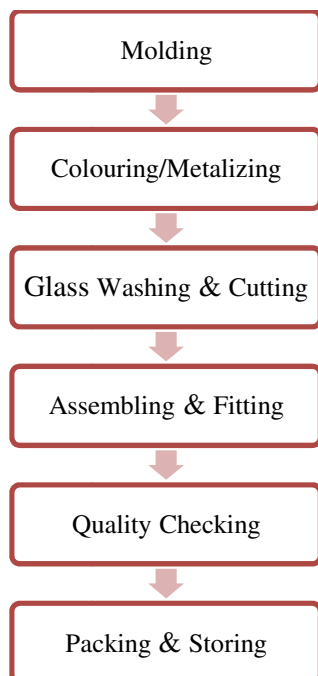
In this process, quality of the clocks are checked which involves testing of clock movement functioning, setting of hands and fitting of all parts which was done by assembling process. In case, any clock is found to be of sub-standard quality, the same is put under rejection and is re-sent for processing, in order to rectify the defect.

#### **Packing and Storing Process:**

In this process clocks are finally inserted in nonwoven bags and packed in corrugated inner boxes, then packed in corrugated master cartoons and stored in to the godown, where they get ready to be dispatched.

### Process flow chart for Clocks:-





### **Clock Movements**

The process of manufacturing of movements can be divided in following segments:-

1. Molding Process
2. Assembling Process
3. Quality Checking Process
4. Packing, Storing and Transfer Process

#### **Molding Process:**

In this process, company produces various type of clock Movement parts (such as Case, Fitting bush, Hour Gear, Hour Idle, Minute Gear, Middle Plate, Minute idle, Center second transmission Adjustor Pipe, Dust Cover, Adjustor Knob ) through plastic granules which are fed into injection molding machine as similar to the clock cabinet.

#### **Assembling Process:**

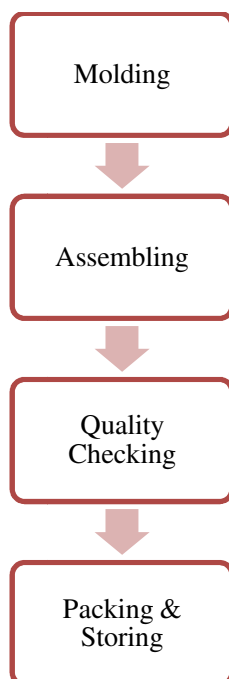
In this process, all molded parts of the Clock Movements are assembled with the stator, Copper wire coil, +/- Contact, which connects the gears in the clock movement with the battery, which helps the clock hands to move. The assembling process is carried manually by the labours.

#### **Quality Checking Process:**

In this process, clock movements are checked & tested whether it's functioning properly or not. In case, any clock movement is found to be of sub-standard quality, the same is put under rejection and is re-sent for processing, in order to rectify the defect.

#### **Packing and Storing Process:**

In this process, clock movements are finally packed into boxes. Further, they are either used by us for our in house manufacturing of clock or are sold to third parties.

**Process flow chart for Clock Movements:-****CAPACITY UTILISATION**

Particulars	Existing				Proposed			
	2014-15	2015-16	2016-17	2017-18 (Apr-Dec.)*	2017-18 (Jan-Mar.)	2018-19	2019-20	2020-21
<b>Clock</b>								
Total Installed Capacity (in No.)	60,00,000	72,00,000	72,00,000	54,00,000	18,00,000	72,00,000	72,00,000	72,00,000
Actual/Proposed Production (in No.)	26,10,031	30,33,244	29,35,508	26,73,108	9,00,000	3,708,000.00	3,816,000.00	3,960,000.00
Capacity Utilization (in%)	43.50%	42.13%	40.77%	49.50%	50.00%	51.50%	53.00%	55.00%
<b>Clock Movements</b>								
Total Installed Capacity (in No.)	1,20,00,000	1,20,00,000	2,40,00,000	1,80,00,000	60,00,000	2,40,00,000	2,40,00,000	2,40,00,000
Actual/Proposed Production (in No.)	9,95,000	35,51,000	45,38,500	51,34,200	17,40,000	7,200,000	7,440,000	7,680,000
Capacity Utilization (in%)	8.29%	29.59%	18.91%	28.52%	29.00%	30.00%	31.00%	32.00%

\*Based on 9 months

**PLANT & MACHINERY:-**

Some of the major plant & machineries used by our Company in our manufacturing facility includes Injection Moulding Machines, Automatic Hot Foil Stamping Machines, Coil Winding Machines, Glass Washing Machine and Metalising Machine.

### **COLLABORATIONS/TIE UPS/ JOINT VENTURES:-**

Except as disclosed in this Draft Prospectus and normal course of business, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date.

### **EXPORT OBLIGATION:**

Our Company does not have any export obligation, as on date of this Draft Prospectus.

### **SALES AND MARKETING:-**

The efficiency of the marketing and sales network is critical success factor of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our marketing team along with our promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. As part of our marketing efforts, we time to time publish our advertisement in Clock and Watch Magazine such as Trade Post. Our prime consideration for customer selection is timely payments and consistency in purchases.

### **MARKETING STRATEGY:**

We intend to focus on following marketing strategies:

1. Focus on existing markets.
2. To expand our existing distribution base
3. Continuously holding markets trends.
4. Supply of Quality Products.
5. Fulfillment of Order in a timely manner.

### **COMPETITION:-**

Our Industry is fragmented consisting of large established players and small niche players. Our Company is well placed, well informed and well trained to assist clients in overall delivery. We have a number of competitors offering products and services similar to us. We believe the principal elements of competition in our industry are price, durability and overall product quality, timely delivery and reliability and most importantly our pace in keeping up with the required regulations and changing technology in the industry. We believe that our cost effective and integrated facilities, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products. While these factors are key parameters the in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our Major Competitors are:-

1. Ajanta India Limited
2. Oreva Group
3. Solar Quartz
4. Opal Luxury Time Products Limited
5. Rickon Clocks Manufacturing Co.
6. Scientific Clock Manufacturing Co.

### **INFRASTRUCTURE & UTILITIES:-**

**Raw Materials** – Our major raw materials comprises of glass, hands, melody motions, pendulum, battery cells etc. which are sourced by us from domestic and international vendors. We mainly procure raw material from domestic market and few of the raw materials are also imported from other countries.

**Power** – The requirement of power for our operations, like power for lighting and operating the machinery/equipments is met through the state electricity board i.e. Paschim Gujarat Vij Company Ltd.

**Water:-** The water requirement for our manufacturing operations are met through borewells.

**Utilities:** Our offices are well equipped with computer systems, internet, connectivity, other communication equipment, security and other facilities, which are required for smooth functioning of the company.

**Human Resource:** As we operate in a labour intensive industry in which majority of the workers are female, it becomes critical for us to provide our workers with healthy and safe working environment. As part our security measures, our Company has owned 11 buses to provide transportation facility to our staff. We believe that our ability to maintain growth depends to a large extent on our strength in attracting, training and motivating and retaining employees. As on February 28, 2018, Our Company has employed 304 permanent full time employees (including senior Management) at various levels of the Organization.

#### INSURANCE:-

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



S. No.	Policy No.	Insurance Co.	Name of Insurance Policy	Assets/Location of Assets and Sum Insured (in Rs.)	Premium (in Rs.)	Expiry date
1.	21120611170 100000352	The New India Assurance Company Limited	Standard Fire & Special Perils Policy	<b>Manufacturing facility and Registered Office:-</b>  Building- Superstructure – 7.5 crores Plant, Machinery and Accessories – 4.80 crores Furniture, fittings, fixtures and other contents – 1 crore Stocks and stocks in process – 15 crores Total – 28.30 crores	1,63,690	July 31, 2018
2.	2250006906	TATA AIG General Insurance Company Limited.	Workmen Compensation Policy	Employees of the Company	3,41,969	January 01, 2019

Apart from above, our company maintains vehicle insurance policies for the vehicles owned by our Company.

#### PROPERTY:-


##### Intellectual Property:-


The Details of trademarks registered in the name of our Company are:-

S. No	Brand name/ Trademark/Copyright	Logo	Class	Trademark/ Copyright	Owner	Registration No. & Date	Status
1.	Trademark for Quartz and Electronic Clocks		14		Sonam Clock Private Limited	2124946 dated April 4, 2011	Registered
2.	Trademark for Quartz and Electronic Clocks		14		Sonam Clock Private Limited	2124944 dated April 4, 2011	Registered

3.	Trademark for Quartz Wall Clock Movement and other Clock Spare parts and Accessories	14		Sonam Clock Private Limited	2286807 dated February 22, 2012	Registered
4.	Trademark for Quartz, Electronic Clocks, Glass (watch), ornaments, watches and spares thereof, watch cases, watches, wall clock, clock parts, clock moments, belts and straps	14		Sonam Clock Private Limited	3228407 dated April 05, 2016	Registered
5.	Trademark for Quartz, Electronic Clocks, Glass (watch), ornaments, watches and spares thereof, watch cases, watches, wall clock, clock parts, clock moments, belt and straps	14		Sonam Clock Private Limited	3249912 dated May 3, 2016	Registered
6.	Trademark for Glass (watch), ornaments, watches and spares thereof, watch cases, watches, wall clock, clock parts, belt and straps	14		Sonam Clock Private Limited	2558327 dated July 3, 2013	Registered
7.	Trademark for Quartz and Electronic Clocks	14		Sonam Clock Private Limited	2124948 dated April 04, 2011	Registered
8.	Trademark for Quartz, electronic clocks, glass (watch), ornaments, watches and spares thereof, watch cases, Watches, wall clock, clock parts, clock moments, belt and straps	14		Sonam Clock Private Limited	3228408 dated April 05, 2016	Registered
9.	Copyright on Sonam (Label)	Artistic work		Sonam Clock Private Limited	A-112199 dated October 27, 2014	Registered
10.	Copyright on Logo	Artistic work		Sonam Clock Private Limited	A-119223 dated August 2, 2017	Registered

**b) Trademarks registered in the name of Promoters/their relatives and being used by the Company:**

S. No	Brand name/ Trademark/Copyright	Class	Trademark/ Copyright	Owner	Registration No. & Date	Status
1.	Trademark for Quartz, Electronic Clocks, Glass (watch), ornaments, watches and spares thereof, watch cases, watches, wall clock, clock parts, clock moments, belt and straps, Quartz	14		Harshil Jayesh Shah	3113847 dated December 2, 2015	Registered

	wall clock movement and other clock spare parts and accessories					
2.	Trademark for Precious metals and their alloys and goods in precious metals or coated therewith (except cutlery, forks and spoons), jewelry, precious stones; horological and other chronometrical instruments, clocks and parts thereof	14		Jayesh Chhabildas Shah	1275375 renewed for a period of 10 years from March 29, 2014	Registered

**IMMOVABLE PROPERTY:-**

S. No.	Address of Property	Use	Owned/ Leased	Name of the Seller/Lessor	Consideration/ Lease Rental/ License Fees
1.	Survey No. 337/P, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India  Area: 5159.721 Sq. Mtrs.	Registered Office and Manufacturing Facility	Leased	<b>Lessors:</b> Mr. Jayesh Chhabildas Shah and Mrs. Deepaben Jayesh Shah  (Our Promoters and Joint Owners of the property)	Registered Lease Deed numbered 7169 dated August 14 <sup>th</sup> , 2002 between Lessors and Company namely Sonam Clock Private Limited (Lessee) for a period of 99 years and to be expired on March 31, 2101 at an annual rent of Rs. 12,000/- (Rupees Twelve Thousand Only)* per annum and further amended vide registered Lease Deed numbered 4469 dated July 14 <sup>th</sup> , 2005.  *Though the rent as per Lease Deed is Rs 12,000/- per annum, but both the parties (Lessor and Lessee) has mutually agreed to carry rent of Rs 6,000/- per annum.
2.	Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India  Area: 4451.525 Sq. Mtrs.		Leased	<b>Lessors:</b> Mr. Jayesh Chhabildas Shah and Mrs. Deepaben Jayesh Shah  (Our Promoters and Joint Owners of the property)	Registered Lease Deed numbered 7170 dated August 14 <sup>th</sup> , 2002 between Lessors and Company namely Sonam Clock Private Limited (Lessee) for a period of 99 years and to be expired on March 31, 2101 at an annual rent of Rs. 6,000/- (Rupees Six Thousand Only) per annum which is further amended vide registered Lease Deed numbered 4470 dated July 14, 2005.

3.	<p>Survey No. 338/P, Village Lajai, Taluka Tankara, Dist. Morbi, Gujarat</p> <p>Area: 9712 Sq. Mtrs.</p>	Currently not in use	Owned	<p><b>Sellers:</b></p> <p>(1)Usmanbhai Jivabhai Mumna, (2)Valibhai Jivabhai Mumna, (3)Ahmadbhai Jivabhai (4)Ashiben Jivabhai Mumna, (5)Januben Jalalbhai Mathkiya, (6) Anisaben Jalalbhai (7)Rafikbhai Jalalbhai Mathkiya (8)Nazmaben Jalalbhai Mathkiya</p>	Registered Sale Deed dated February 05, 2018 between Sellers and Company namely Sonam Clock Private Limited (Lessee) represented by its Director Jayesh Chhabildas Shah for a consideration of Rs. 9,50,000/- (Rupees Nine Lakh Fifty Thousand Only).
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## **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 various legislations, including rules and regulations promulgated by the regulatory bodies 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 legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “Government and other Approvals” on page 206 of this Draft Prospectus.*

**This chapter has been classified as under:**

- A. Corporate and Commercial laws**
- B. Labour and employment Laws**
- C. Tax Laws**
- D. IPR Laws**
- E. Foreign Regulations**

### **CORPORATE AND COMMERCIAL LAWS**

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

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. At present almost all the provisions of this law have been made effective except a very few. 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 Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

The Competition Act, 2002 “prohibits anti-competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

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

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties. The Indian Contract Act also lays down provisions of indemnity, guarantee,



bailment and agency. Provisions relating to sale of goods and partnership which were originally in the act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act.

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

The Consumer Protection Act, 1986 (the “Consumer Protection Act”) provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the National Commission, the State Commission and the District Forums. Such redressal forums have the authority to grant various reliefs, such as removal of defects, replacement of goods, compensation to the consumer, etc.

### **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. 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 honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

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

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

### **Indian Stamp Act, 1899 (the “Stamp Act”)**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

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

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

### **The Arbitration and Conciliation Act, 1996**

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise

the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Code proposes to establish an Insolvency Regulator (The Insolvency and Bankruptcy Board of India) to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities; these agencies will develop professional standards, codes of ethics and exercise a disciplinary role over errant members leading to the development of a competitive industry for insolvency professionals. The Code proposes for a fast track insolvency resolution process for companies with smaller operations. The process will have to be completed within 90 days, which may be extended upto 45 more days if 75% of financial creditors agree. Extension shall not be given more than once.

## **LABOUR AND EMPLOYMENT LAWS**

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

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings have been made 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.

### **Factories Act, 1948**

The Factories Act, 1948 (“Factories Act”) defines a ‘factory’ to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are atleast 20 workers whom are may not been engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories.

The Factories Act provides that the occupier of a factory, i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, anyone of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. Persons who design, manufacture, import or supply articles for use in a factory must ensure the safety of the workers in the factory where the articles are used. If the safety standards of the country where the articles are manufactured are above Indian safety standards, the articles must conform to the relevant foreign standards. There is a prohibition on employing children below the age of fourteen years in a factory. If there is violation of any provisions of the Factories Act or rules framed there under, the occupier and manager of the factory may be punished with imprisonment for a term up to two years and/or with a fine up to ₹1 lakhs or both, and in case of such violation continuing after conviction, with a fine of up to ₹1,000 per day of violation. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than ₹0.25 lakhs in the case of an accident causing death, and ₹5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases upto three years and the fine would be ₹ 3 lakhs and in case such contravention results in death or serious bodily injury the fine would be a minimum of ₹ 0.35 lakhs and ₹ 0.10 Lakhs, respectively.

The ambit of operation of this Act includes the approval of Factory Building Plans before construction/extension, investigation of complaints with regard to health, safety, welfare and working conditions of the workers employed in a factory, the maintenance of registers and the submission of yearly and half-yearly returns.

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

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concessional rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of upto six months or a fine of upto Rs 500.

### **Payment of Wages Act, 1936**

The Payment of Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs 18,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

### **Employees' Compensation Act, 1923**

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

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

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

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

Gratuity is a lump sum payment made by an employer as the retirement reward to an employee for his past service when his employment is terminated. The provisions of the Act are applicable on all the establishments in which ten or more employees were employed on any day of the preceding twelve months and as notified by the government from time to time. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A thereafter whenever there is any change in the name, address or in the change in the nature of the business of the establishment a notice in Form B has to be filed with authority. An employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, superannuation, death or disablement. An employer may also choose to pay gratuity outside of that which is required by this Act. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

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

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. Under the said Act an employee in a factory who has worked for atleast 30 working days in a year is eligible to be paid bonus. The minimum bonus to be paid to each employee is 8.33% of the salary or wage or Rs 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Act by a company will be punishable by proceedings for imprisonment upto six months or a fine upto Rs 1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act. It further requires for the maintenance of certain books and registers and submission of Annual Return in the prescribed form (FORM D) within 30 days of payment of the bonus to the Inspector.

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

The Act is applicable to factories employing more than 20 employees and may also apply to such establishments and industrial undertakings as notified by the Government from time to time. All the establishments under the Act are required to be registered with the Provident Fund Commissioners of the State. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident fund, pension fund and deposit linked insurance fund for the benefit of employees in 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.

### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 ("Industrial Disputes Act") provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act. The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or layoff or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

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

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

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

The purpose of Maternity Act 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. It applies in the first instance, to every establishment being a factory, mine or plantation including any such establishment belonging to Government and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic and other performances.

### **Apprentices Act, 1961**

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

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

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

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

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

### **The Industrial Employment (Standing orders) Act, 1946**

This Act is to require employers in industrial establishments to formally define conditions of employment under them and submit draft standing orders to certifying Authority for its Certification. It applies to every industrial establishment wherein 100 (reduced to 50 by the Central Government in respect of the establishments for which it is the Appropriate Government) or more workmen are employed. And the Central Government is the appropriate Government in respect of establishments under the control of Central Government or a Railway Administration or in a major port, mine or oil field. Under the Industrial Employment (Standing Orders) Act, 1946, all RLCs(C) have been declared Certifying Officers to certify the standing orders in respect of the establishments falling in the Central Sphere. CLC(C) and all Dy. CLCs(C) have been declared Appellate Authorities under the Act.

## **TAX LAWS**

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

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

### **Gujarat State Tax on Profession, Trades, Callings and Employment 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 taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under this Act (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

### **The Goods and Services Tax Act, 2017**

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realise the goal of “One Nation-One Tax-One Market.” GST is expected to benefit all the stakeholders – industry, government and consumer.

Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India - Arun Jaitley. This Act has been made applicable with effect from 1st July 2017.

With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits.

The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services.

India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

**Following laws which have been subsumed in GST Acts were applicable to the Company till 30th June 2017 and shall remain applicable here after as stated in the GST Acts:**

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

Central Sales Tax (“CST”) is levied in accordance with the Central Sales Tax Act, 1956 on movable goods sold in the course of inter-state trade or commerce. CST is payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate. However, a dealer is entitled to a concessional rate of 2% CST on goods which are sold to another registered dealer who intends to further re-sell them or use them in the manufacture or processing for further sale or for certain other specified purposes, subject to the condition that the purchasing dealer issues a statutory form “C” to the selling dealer.

#### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

#### **State laws governing Entry Tax**

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It is levied at such rate as may be specified by the State Government and different rates may be specified for different goods. The tax leviable under this Act shall be paid by every dealer in scheduled goods or any other person who brings or causes to be brought into a local area such scheduled goods whether on his own account or on account of his principal or customer or takes delivery or is entitled to take delivery of such goods on such entry.

#### **Gujarat Value Added Tax Act, 2003 (“GVAT”)**

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

#### **Service Tax (the “Finance Act, 1994”)**

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.

### **Central Excise Act, 1944 and Excise Regulations**

The Central Excise Act, 1944 seeks to impose an excise duty on excisable goods which are produced or manufactured in India. Excise duty is levied on production of goods but the Liability of excise duty arises only on removal of goods from the place of storage, i.e., factory or warehouse. Unless specifically exempted, excise duty is levied even if the duty was paid on the raw material used in production. The rate at which such a duty is imposed is contained in the Central Excise Tariff Act, 1985. However, the Indian Government has the power to exempt certain specified goods from excise duty by notification.

### **Intellectual Property Laws**

#### **The Trademarks Act, 1999 (“Trademarks Act”)**

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

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

The Copyright Act, 1957 (the “Copyright Act”) governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as a *prima facie* evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

### **FOREIGN REGULATIONS**

#### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development and Regulation) Act, 1992 read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

#### **Foreign Exchange Management Act, 1999 (“the FEMA”) and Rules and Regulations thereunder**

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), read with the applicable regulations. The Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 (“Export of Goods and Services Regulations 2015”) issued by the RBI on January 12, 2016. The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Our History and Background

Our Company was originally incorporated as “Sonam Clock Private Limited” on June 21, 2001 vide Registration no. 039689/2001-2002 (CIN: U33302GJ2001PTC39689) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 29, 2018, our company was converted into a Public Limited Company and consequently the name of our Company was changed from “Sonam Clock Private Limited” to “Sonam Clock Limited” vide a fresh Certificate of Incorporation dated February 07, 2018 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company post conversion is U33302GJ2001PLC039689.

Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah were the initial subscribers to the Memorandum of Association of our Company and are the current promoters of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections titled “Our Business”, “Industry Overview”, “Our Management”, “Financial information of the Company” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 88, 79, 114, 136 and 189 respectively of this Draft Prospectus.

### Address of Registered Office:-

<b>Registered Office &amp; Factory</b>	Survey No. 337/p, Morbi Rajkot Highway, Taluka Tankara, District Morbi, Lajai, Rajkot - 363641 Gujarat, India
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### Changes in the Registered Office

Except as mentioned below, there has not been any change in our Registered Office since inception till the date of the Draft Prospectus.

From	To	Effective Date	Reason for Change
Time Tower 2, Lati Plot, District Morbi, Rajkot, - 363741 Gujarat, India	Survey No. 337/p, Morbi Rajkot Highway, Taluka Tankara, District Morbi, Lajai, Rajkot - 363641 Gujarat, India	November 30, 2017	To keep Registered office and Factory at same place for convenience

### Our Main Object

- To carry on in India and abroad the business to manufacture, assemble, import, export, buy, sell, trade, repair, maintain, install, prepare, produce, fabricate, alter, renovate, convert, distribute, recondition, design, develop and to act as broker, agent, franchiser, vendor or otherwise to deal in all sorts of clocks, watches, time pieces, chinometers, instant watches, wristwatches, pocket watches, wall clocks, table clocks, alarm clocks, calculators, toys’ piezo, whether electronic, digital, automatic, electrical, quartz or mechanical, solar for industrial, domestic, commercial and public purposes and to manufacture all kinds of parts, components, fittings, accessories, fixtures and ingredients such as watch crow, dials, watch jewels, made of ferrous and non-ferrous materials including leather, PVC, plastic, rubber or any other man-made or natural materials including precious stones, quartz, diamonds, pearls, gold, silver, platinum, gem and jewellery in its various forms and descriptions used in the manufacturing of the above items.

### Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Increase in the authorized share capital of the Company from ₹ 5.00 Lakhs divided into 50,000 Equity Shares of ₹ 10/- each to ₹ 100.00 Lakhs divided into 10,00,000	May 07, 2002	EGM



	Equity Shares of ₹ 10/- each.		
2.	Increase in the authorized share capital of the company from ₹ 100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each to ₹ 200.00 Lakhs divided into 20,00,000 Equity Shares of ₹ 10/- each.	January 09, 2010	EGM
3.	Increase in the authorized share capital of the company from ₹ 200.00 Lakhs divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹ 600.00 Lakhs divided into 60,00,000 Equity Shares of ₹ 10/- each	February 29, 2016	EGM
4.	Increase in the authorized share capital of the company from ₹ 600.00 Lakhs divided into 60,00,000 Equity Shares of ₹ 10/- each to ₹ 1000.00 Lakhs divided into 1,00,00,000 Equity Shares of ₹ 10/- each	November 30, 2017	EGM
5.	Increase in the authorized share capital of the company from ₹ 1000.00 Lakhs divided into 1,00,00,000 Equity Shares of ₹ 10/- each to ₹ 1100.00 Lakhs divided into 1,10,00,000 Equity Shares of ₹ 10/- each	December 30, 2017	EGM
6.	Conversion of our Company from Private Limited to Public Limited Company. Consequently name of the Company has been changed from Sonam Clock Private Limited to Sonam Clock Limited and a fresh Certificate of Incorporation dated February 07, 2018 bearing CIN U33302GJ2001PLC039689 was issued by Registrar of Companies, Ahmedabad, Gujarat	January 29, 2018	EGM
7.	Alteration in Object Clause, Clause IV and title of MOA in order to conform with applicable provisions of the Companies Act, 2013.	January 29, 2018	EGM

### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013, in the General Meeting of the Company dated January 29, 2018.

### Key Events and Mile Stones

Year/F.Y.	Key Events / Milestone / Achievements
2001	Incorporation of the Company in the name of "Sonam Clock Private Limited"
F.Y. 2002-03	Commenced manufacturing operations of wall clock items at Survey No. 337/p, Village Lajai, Morbi Rajkot Highway, Taluka Tankara, District Morbi - 363641 Gujarat, India
F.Y. 2008-09	Domestic Turnover crosses Rs. 10 crores and Export Turnover crosses Rs. 5 crores
F.Y. 2009-10	Export Turnover crosses Rs. 10 crores
F.Y. 2011-12	Overall Turnover crosses Rs. 30 crores
F.Y. 2015-16	The Company got accredited with ISO 9001:2008 certification for Quality Control System
F.Y. 2016-17	Gross Revenue from Operations crosses Rs. 40 crores
F.Y. 2017-18	Change in Registered Office of our Company
F.Y. 2017-18	Conversion of the Company from Private Limited to Public Limited Company.

### Awards and achievements

Our Company has not been rewarded with any awards or any other recognition in the past in relation to its business activities.

### Other details about our Company

For details of our Company's activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis for Issue Price" on pages 88, 189 and 74 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 114 & 48 of the Draft Prospectus respectively.

#### **Capital raising (Debt / Equity)**

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 48 of the Draft Prospectus.

For a description of our Company’s debt facilities, see “*Statement of Financial Indebtedness*” on page 186 of the Draft Prospectus.

#### **Defaults or Rescheduling of borrowings with financial institutions/banks**

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

#### **Time and Cost overruns in setting up projects**

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

#### **Revaluation of Assets**

Our Company has not revalued its assets since incorporation.

#### **Lock-out or strikes**

There have been no lock-outs or strikes in our Company since inception.

#### **Changes in activities of Our Company during the last five (5) years**

There have been no changes in the activity of our Company during the last five (5) years preceding the date of this Draft Prospectus.

#### **Holding Company**

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

#### **Subsidiary of our Company**

As on the date of this Draft Prospectus, our Company does not have any subsidiary Company.

#### **Injunction or restraining order**

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

#### **Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets etc.**

There are no mergers, amalgamation, etc. with respect to our company and we have not acquired any business/undertaking since incorporation.

#### **Number of Shareholders of our Company:**

Our Company has Seven (7) shareholders as on the date 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 48 of the Draft Prospectus.

#### **Changes in the Management**

For details of change in Management, please see chapter titled “*Our Management*” on page 114 of the Draft Prospectus.

### **Shareholders Agreements**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Prospectus.

### **Collaboration Agreements**

As on 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 No- compete Agreement as on the date of filing of this Draft Prospectus.

#### **Joint Venture Agreement**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Prospectus.

#### **Strategic Partners**

Except as mentioned in this Draft Prospectus, Our Company does not have any strategic partners as on the date of this Draft Prospectus.

#### **Financial Partners**

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

#### **Corporate Profile of our Company**

For details on the description of our Company's activities, the 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 pages 88, 189 and 74 of this Draft Prospectus.

## OUR MANAGEMENT

### Board of Directors

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Prospectus:

Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN	Date & term of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Directorships
<b>Mr. Jayeshbhai Chhabildas Shah</b> <b>Father's Name:</b> Mr. Chhabildas Durlabhajibhai Shah <b>Age:</b> 51 years <b>Designation:</b> Chairman and Managing Director <b>Address:</b> 34, Shanti Niketan, 10 Shakti Plot, Sanala Road, Shri Sardanagar, District Morbi, Gujarat - 363641, India <b>Experience:</b> 32 years <b>Occupation:</b> Business <b>Qualification:</b> Matriculation <b>Nationality:</b> Indian <b>DIN:</b> 00500814	Originally Appointed as Director w.e.f. June 21, 2001  Re-designated as Managing Director and Chairman in the EGM dated January 29, 2018 for a period of 5 years.	62,39,200 Equity Shares  [86.66%]	Nil
<b>Mrs. Deepaben Jayeshbhai Shah</b> <b>Father's Name:</b> Mr. Shantilal Dhirajlal Shah <b>Age:</b> 49 years <b>Designation:</b> Whole Time Director <b>Address:</b> Flat 202, Tower G, Jasmin, Garden City , S.V. Road, Gujarat – 360005, India <b>Experience:</b> 17 years <b>Occupation:</b> Business <b>Qualification:</b> Master of Commerce (M. Com) <b>Nationality:</b> Indian <b>DIN:</b> 01981533	Originally Appointed as Director w.e.f. June 21, 2001  Re-designated as Whole Time Director in the EGM dated January 29, 2018 for a period of 5 years.	4,80,000 Equity Shares  [6.67%]	Nil
<b>Ms. Rutvi Jayeshbhai Shah</b> <b>Father's Name:</b> Mr. Jayeshbhai Chhabildas Shah <b>Age:</b> 18 years <b>Designation:</b> Non-Executive Director <b>Address:</b> Flat 202, Tower G, Jasmin, Garden City , S.V. Road, Gujarat – 360005, India <b>Experience:</b> Nil <b>Occupation:</b> Business <b>Qualification:</b> Pursuing B.B.A. I year <b>Nationality:</b> Indian <b>DIN:</b> 08071124	Appointed as Non Executive Director w.e.f. February 26, 2018 in the EGM dated February 26, 2018.	Nil	Nil

Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN	Date & term of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue]	Other Directorships
<b>Mr. Shreyansh Vijaybhai Vora</b> <b>Father's Name:</b> Vijaybhai Ratilal Vora <b>Age:</b> 29 years <b>Designation:</b> Independent Director <b>Address:</b> Rajgor Fali 1, Near Punjab National Bank, Jamnagar - 361001 Gujarat, India <b>Experience:</b> 5 years <b>Occupation:</b> Practicing Chartered Accountant <b>Qualification:</b> Chartered Accountant <b>Nationality:</b> Indian <b>DIN:</b> 08034487	Appointed as Independent Director w.e.f. December 30, 2017 in the EGM dated December 30, 2017 for a period of 5 years.	Nil	Nil
<b>Mr. Jigar Dipakbhai Mehta</b> <b>Father's Name:</b> Mr. Dipakbhai Girdharlal Mehta <b>Age:</b> 25 years <b>Designation:</b> Independent Director <b>Address:</b> 102, Siddharth Apartment, Near Palace Jain Derasar, Opp. Gurudattatreya Temple, Jamnagar, Gujarat, India 361008 <b>Experience:</b> 3 years <b>Occupation:</b> Service <b>Qualification:</b> Chartered Accountant <b>Nationality:</b> Indian <b>DIN:</b> 08051320	Appointed as Independent Director w.e.f. February 26, 2018 in the EGM dated February 26, 2018 for a period of 5 years.	Nil	Nil

### Brief Biographies of Directors

**Mr. Jayeshbhai Chhabildas Shah** is the Chairman and Managing Director of our Company. He has been on the Board since incorporation of the Company. He has around 32 years of experience in the clock industry. He is a visionary entrepreneur who is well versed with clock industry. He has played a pivotal role in setting up of business of our Company. His name has been showcased in Gujarat 2016-17 edition of Unified Brainz of India "Who's Who of the Industries", a book which features biography of those esteemed individuals who have demonstrated outstanding achievement in their own field. He currently oversees and controls the overall administration and finance function of our Company. Under his guidance our Company has witnessed continuous growth.

**Mrs. Deepaben Jayeshbhai Shah** is the Whole Time Director of our Company. She has been on the Board since incorporation of the Company. She has around 16 years of experience in the clock industry. She holds degree of Master of Commerce from Saurashtra University, Gujarat. She is responsible for the managing administrative activities of our Company. She is also involved in charting new growth opportunities for the Company.

**Ms. Rutvi Jayeshbhai Shah** is the Non Executive Director of our Company. She has recently ventured into the family business by joining as Non Executive Director w.e.f. February 26, 2018. She has completed her Senior Secondary education from CBSE Board and is also currently pursuing Bachelor in Business Administration from Saurashtra University.

**Mr. Shreyansh Vijaybhai Vora** is the Independent Director of our Company. He is a Practicing Chartered Accountant and has 5 years of experience in finance, accounting and taxation matters. He was appointed on December 30, 2017 on the Board for a period of 5 years.

**Mr. Jigar Dipakbhai Mehta** is the Independent Director of our Company. He is a professionally qualified Chartered Accountant, and is currently working with a public Company at managerial position. He was appointed on February 26, 2018 on the Board for a period of 5 years.

### Confirmations

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

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

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 not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

### Nature of any family relationship between our Directors

The Directors of the Company 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. Jayeshbhai Chhabildas Shah	Husband of Mrs. Deepaben Jayeshbhai Shah and father of Ms. Rutvi Jayeshbhai Shah
2.	Mrs. Deepaben Jayeshbhai Shah	Wife of Mr. Jayeshbhai Chhabildas Shah and mother of Ms. Rutvi Jayeshbhai Shah
3.	Ms. Rutvi Jayeshbhai Shah	Daughter of Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah

### 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.

### Details of Borrowing Powers of Directors

Our Company has passed a special resolution in the Extra Ordinary General Meeting of the members held on January 29, 2018 authorizing the Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such 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 ₹1000.00 Crores (Rupees One thousand Crores Only).

### Compensation of our Managing Director & Whole-time Director

The compensation payable to our Managing Director and Whole-time 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 compensation has been approved for Managing Director and Whole Time Directors:

Particulars	Mr. Jayeshbhai Chhabildas Shah	Mrs. Deepaben Jayeshbhai Shah
Appointment/Change in Designation	Appointed since incorporation ; Appointed as Chairman and Managing Director w.e.f. January 29, 2018	Appointed since incorporation; Appointed as Whole Time Director w.e.f. January 29, 2018
Current Designation	Chairman and Managing Director	Whole Time Director
Term of Appointment	5 years Not liable to Retire by rotation	5 years liable to Retire by rotation
Remuneration & Perquisites	Upto ₹11,00,000 /- per month	Upto ₹ 7,00,000 /- per month
Compensation paid in the year 2016-17	₹1,32,00,000 /-	₹ 84,00,000 /-

#### Bonus or Profit Sharing Plan for our Directors

We have no bonus or profit sharing plan for our Directors.

#### Sitting Fees

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-time Directors), not exceeding Rs. 1.00 Lac to be fixed by Directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved in their meeting dated February 21, 2018 for payment of an amount not exceeding Rs. 1.00 Lac as approved by the Board to all Non-executive Directors for attending each such meeting of the Board or Committee thereof.

#### Shareholding of our Directors as on the date of this Draft Prospectus

Sr. No.	Name of the Director	No. of Shares Held	Holding in %
1.	Mr. Jayeshbhai Chhabildas Shah	62,39,200	86.66%
2.	Mrs. Deepaben Jayeshbhai Shah	4,80,000	6.67%
	<b>Total</b>	<b>67,19,200</b>	<b>93.33%</b>

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Prospectus.

We do not have Subsidiary 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 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- **“Our Management”** beginning on page 114 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. 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 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 C”** of Section **“Financial Information of the Company”** on page 186 and 136 respectively of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section "**Our Management**" or the section titled "**Financial information of the Company - Related Party Transactions**" beginning on page 114 and 179 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

#### **Interest in the property of Our Company**

Except as mentioned hereunder our Directors do not have any other interest in any property acquired/rented 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 Draft Prospectus.

Sr. No.	Name of Director	Address of Property	Interest and nature of interest
1.	Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayesh Shah	Registered Office and Manufacturing Facility Survey No. 337/P, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India	Our Company has taken the said property on lease from our Directors vide Registered Lease Deed dated August 14 <sup>th</sup> , 2002 for a period of 99 years which is to be expired on March 31, 2101 at an annual rent of Rs. 12,000/- (Rupees Twelve Thousand Only) per annum.
2.	Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayesh Shah	Registered Office and Manufacturing Facility Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India	Our Company has taken the said property on lease from our Directors vide Registered Lease Deed dated August 14 <sup>th</sup> , 2002 for a period of 99 years which is to be expired on March 31, 2101 at an annual rent of Rs. 6,000/- (Rupees Twelve Thousand Only) per annum.

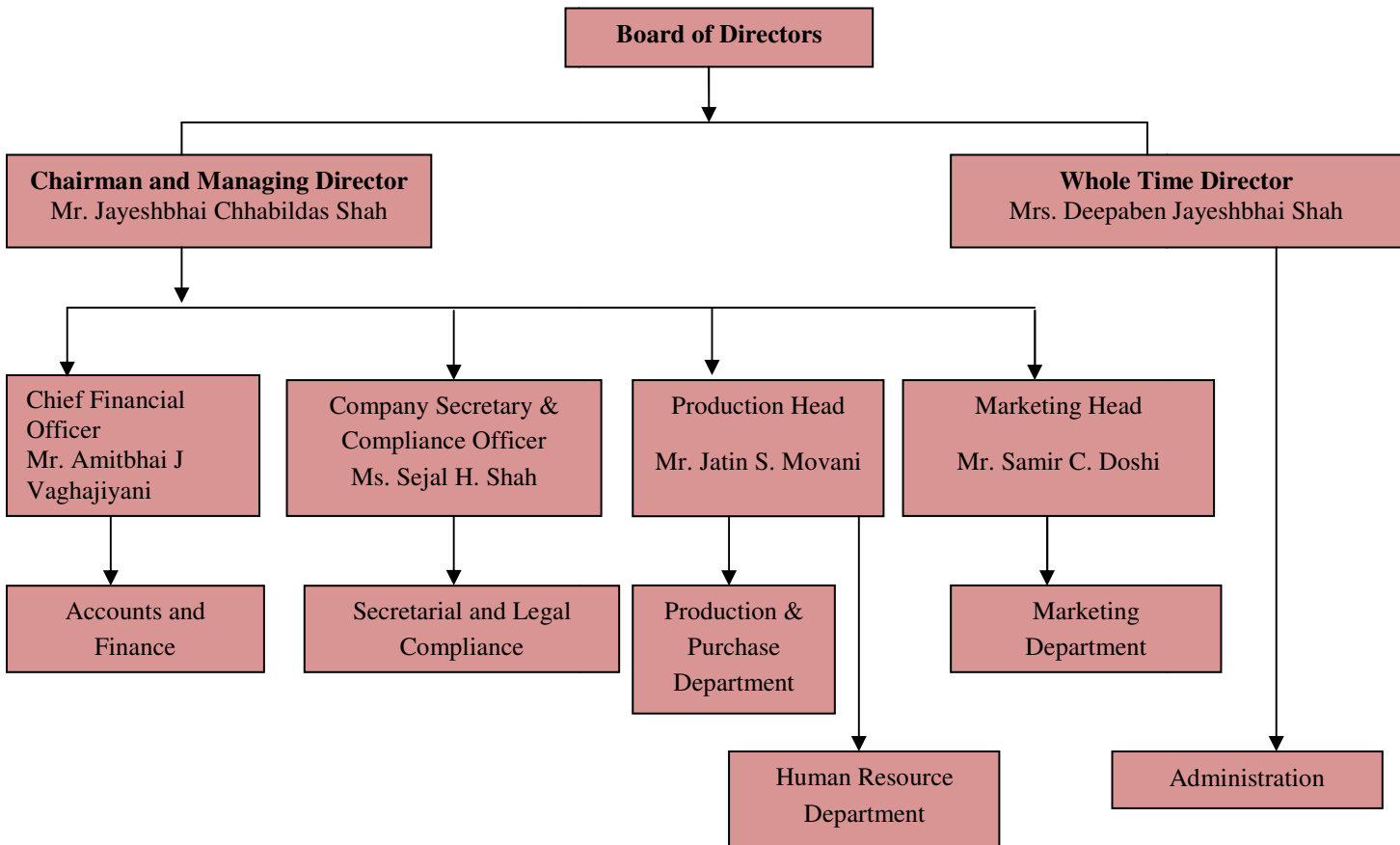
#### **Changes in Board of Directors in Last 3 Years**

Sr. No.	Name	Date of Appointment / Re - Appointment	Reasons for Change
1.	Mr. Jayeshbhai Chhabildas Shah	Re-designated as Managing Director and Chairman in the EGM dated January 29, 2018 for a period of 5 years. Originally Appointed as Director w.e.f. June 21, 2001	To ensure better Corporate Governance
2.	Mrs. Deepaben Jayeshbhai Shah	Re-designated as Whole Time Director in the EGM dated January 29, 2018 for a period of 5 years. Originally Appointed as Director w.e.f. June 21, 2001	To ensure better Corporate Governance
3.	Mr. Shreyansh Vijaybhai Vora	Appointed as Independent Director in the EGM dated December 30, 2017 for a period of 5 years.	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
4.	Mr. Jigar Dipakbhai Mehta	Appointed as Independent Director in the EGM dated February 26, 2018 for a period of 5 Years.	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
5.	Ms. Rutvi Jayeshbhai Shah	Appointed as Non Executive Director in the EGM dated February 26, 2018 and shall be liable to retire / re-appointment by rotation.	To ensure better Corporate Governance



**MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization 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 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, as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act 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 Five (5) directors of which two (2) are Independent Directors, and we have two women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### 1. Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated February 28, 2018, 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. Shreyansh Vijaybhai Vora	Chairman	Independent Director
Mr. Jigar Dipakbhai Mehta	Member	Independent Director
Mr. Jayeshbhai Chhabildas Shah	Member	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
- 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).

- 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 February 28, 2018. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Shreyansh Vijaybhai Vora	Chairman	Independent Director
Mr. Jigar Dipakbhai Mehta	Member	Independent Director
Mrs. Deepaben Jayeshbhai Shah	Member	Whole Time 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 February 28, 2018. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Shreyansh Vijaybhai Vora	Chairman	Independent Director
Mr. Jigar Dipakbhai Mehta	Member	Independent Director
Ms. Rutvi Jayeshbhai Shah	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 for 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 regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

Ms. Sejal Hareshbhai Shah, Company Secretary & Compliance Officer 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. We shall comply with the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE.

**KEY MANAGERIAL PERSONNEL**

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of joining	Compensation paid for F.Y. ended 2017 (in	Overall experience (in years)	Previous employment
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			₹(Lacs)		
Mr. Jayeshbhai Chhabildas Shah <b>Designation</b> – Chairman and Managing Director <b>Educational Qualification</b> – Matriculation	51	2001	132.00	32	Nil
Mrs. Deepaben Jayeshbhai Shah <b>Designation</b> – Whole- time Director <b>Educational Qualification</b> – Master of Commerce	49	2001	84.00	16	Nil
Mr. Amitbhai Jamnadas Vaghajiyani <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> Master of Commerce	50	2018 (as CFO)	3.00	20	Nil
Ms. Sejal Hareshbhai Shah <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification:</b> Company Secretary	22	2017	Nil	5 months	Nil
Mr. Jatin Shashikant Movani <b>Designation:</b> Production Head <b>Educational Qualification:</b> Matriculation	43	2002	4.20	15	Nil
Mr. Samir Champaklal Doshi <b>Designation:</b> Marketing Head <b>Educational Qualification:</b> Bachelor of Commerce	35	2003	3.60	14	Nil

#### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Mr. Jayeshbhai Chhabildas Shah** is the Chairman and Managing Director of our Company. He has been on the Board since incorporation of the Company. He has around 32 years of experience in the clock industry. He is a visionary entrepreneur who is well versed with clock industry. He has played a pivotal role in setting up of business of our Company. He currently oversees and controls the overall administration and finance function of our Company. Under his guidance our Company has witnessed continuous growth.

**Mrs. Deepaben Jayeshbhai Shah** is the Whole Time Director of our Company. She has been on the Board since incorporation of the Company. She has around 16 years of experience in the clock industry. She holds degree of Master of Commerce from Saurashtra University, Gujarat. She is responsible for the managing administrative activities of our Company. She is also involved in charting new growth opportunities for the Company.

**Mr. Amitbhai Jamnadas Vaghajiyani** is the Chief Financial Officer of our Company. He has completed his masters of Commerce from the Saurashtra University, Gujarat in 1991 and is associated with our Company since incorporation. He has over 20 years of experience in Accounts, Finance and taxation field. He has been designated as Chief Financial Officer of our Company with effect from February 21, 2018.

**Ms. Sejal Hareshbhai Shah** is Company Secretary and Compliance officer of our Company. She is a qualified Company Secretary from Institute of Company Secretaries of India. She has 5 months of experience in the field of secretarial matters. She looks after the overall corporate governance and secretarial matters of our Company.

**Mr. Jatin Shashikant Movani** is the Production Head of our Company. He oversees the production & purchase department of our Company and is been associated with our Company from last 15 years. He has completed his matric from Tamil Nadu.

**Mr. Samir Champaklal Doshi** is the Marketing Head of our Company. He oversees the marketing department of our Company and is been associated with our Company from last 14 years. He holds degree of Bachelor of Commerce from Saurashtra University, Gujarat.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- 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.
- None of our KMPs except Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2017.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:-

Sr. No.	Name of the KMP	No. of Shares held
1	Mr. Jayeshbhai Chhabildas Shah	62,39,200
2	Mrs. Deepaben Jayeshbhai Shah	4,80,000
3	Mr. Jatin Shashikant Movani	100
4	Mr. Amit Jamnadas Vaghajiyani	100
5	Mr. Samir Champaklal Doshi	100
	<b>Total</b>	<b>67,19,500</b>

- Presently, we do not have ESOP/ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the Industry to which our company belongs.

#### RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

The KMPs of the Company 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 KMP	Relationship with other KMP
1.	Mr. Jayeshbhai Chhabildas Shah	Husband of Mrs. Deepaben Jayeshbhai Shah
2.	Mrs. Deepaben Jayeshbhai Shah	Wife of Mr. Jayeshbhai Chhabildas Shah

**Payment of Benefits to Officers of our Company (non-salary related)** Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

#### Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1.	Mr. Jayeshbhai Chhabildas Shah	Re-designated as Managing Director and Chairman in the EGM dated January 29, 2018	January 29, 2018	To ensure better Corporate Governance
2.	Mrs. Deepaben Jayeshbhai Shah	Re-designated as Whole Time Director in the EGM dated January 29, 2018	January 29, 2018	To ensure better Corporate Governance
3.	Ms. Sejal Hareshbhai Shah	Appointment as Company Secretary &	November 06,	To comply with the

		Compliance Officer	2017	provisions of Companies Act 2013 and to ensure better Corporate Governance
4.	Mr. Amitbhai J. Vaghajiyani	Appointed as Chief Financial Officer	February 21, 2018	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance

### Interest of Our Key Managerial Persons

Apart from the 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, none of our key managerial personal are interested in our Company. For details, please refer section titled "**Financial information of the Company - Related Party Transactions**" beginning on page 136 and 179 respectively of this Draft Prospectus

### Interest in the property of our Company

Except as mentioned hereunder our Directors 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 KMP	Address of Property	Interest and nature of interest
1.	Mr. Jayesh Chhabildas Shah and Mrs. Deepaben Jayesh Shah	Registered Office and Manufacturing Facility Survey No. 337/P, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India	Our Company has taken the said property on lease from our Directors vide Registered Lease Deed dated August 14 <sup>th</sup> , 2002 for a period of 99 years which is to be expired on March 31, 2101 at an annual rent of Rs. 12,000/- (Rupees Twelve Thousand Only) per annum.
2.	Mr. Jayesh Chhabildas Shah and Mrs. Deepaben Jayesh Shah	Registered Office and Manufacturing Facility Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India	Our Company has taken the said property on lease from our Directors vide Registered Lease Deed dated August 14 <sup>th</sup> , 2002 for a period of 99 years which is to be expired on March 31, 2101 at an annual rent of Rs. 6,000/- (Rupees Twelve Thousand Only) per annum.

Except as provided 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 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 Z –Statement of Related Party Transaction**" page 179 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.

### EMPLOYEES

The details about our employees appear under the Paragraph titled "**Human Resource**" in Chapter titled "**Our Business**" beginning on page 88 of this Draft Prospectus.





## OUR PROMOTERS & PROMOTER GROUP

### Our Promoters:

Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah are the Promoters of our Company. As on the date of this Draft Prospectus, Mr. Jayeshbhai Chhabildas Shah holds 62,39,200 Equity Shares and Mrs. Deepaben Jayeshbhai Shah holds 4,80,000 Equity Shares of our Company. Our Promoters 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 Promoters is as under:

	<b>Mr. Jayeshbhai Chhabildas Shah</b>	
	<b>Qualification</b>	Matriculation
	<b>Age</b>	51 years
	<b>Address</b>	34, Shanti Niketan, 10 Shakti Plot, Sanala Road, Shri Sardanagar, District Morbi, Gujarat - 363641, India
	<b>Experience</b>	32 years
	<b>Occupation</b>	Business
	<b>Driving License Number</b>	Expired
	<b>Voter Identification Card No.</b>	CSD4897948
	<b>No. of Equity Shares held in SCL &amp; [% of Shareholding (Pre Issue)]</b>	62,39,200 Equity Shares aggregating to 86.66% of Pre Issue Paid up Share Capital
	<b>Other Interests</b>	<b>Directorships in other Companies:</b> Nil  <b>Partnership Firm:-</b> M/s Rutvi Enterprise  <b>HUF's:</b> Jayeshbhai Chhabildas Shah HUF (as Karta) M/s Harshil Enterprise (Proprietorship of HUF)
		<b>Mrs. Deepaben Jayeshbhai Shah</b>
<b>Qualification</b>		Master of Commerce
<b>Age</b>		49 years
<b>Address</b>		Flat 202, Tower G, Jasmin, Garden City , S.V. Road, Gujarat – 360005, India
<b>Experience</b>		16 years
<b>Occupation</b>		Business
<b>Driving License Number</b>		GJ 03 20130009086
<b>Voter Identification Card No.</b>		CSD1397124
<b>No. of Equity Shares held in SCL &amp; [% of Shareholding (Pre Issue)]</b>		4,80,000 Equity Shares aggregating to 6.67% of Pre Issue Paid up Share Capital
<b>Other Interests</b>		<b>Directorships in other Companies:</b> Nil  <b>Partnership Firm:-</b> M/s Rutvi Enterprise  <b>HUF's:</b> Jayeshbhai Chhabildas Shah HUF (as Member) M/s Harshil Enterprise (Proprietorship of HUF)

For brief biographies of our Promoters, please refer to Chapter titled "Our Management" beginning on page 114 of this Draft Prospectus.

### **Confirmations/Declarations**

In relation to our individual Promoters, Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah, our Company confirms that the PAN, bank account numbers and passport numbers (as available) have been submitted to National Stock Exchange of India Limited at the time of filing of this Draft Prospectus.

### **Undertaking/ Confirmations**

None of our Promoters or Promoter Group or Group 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 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 Promoters, the relatives of our Promoters (as defined under the Companies Act) nor our Group Company 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 Promoters, Promoter Group or the Group Company have become sick Companies under the erstwhile SICA or under the present IBC law 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 except as stated under chapters “*Risk Factors*” and “*Outstanding Litigations and Material Developments*” on pages 14 and 201 of this Draft Prospectus, respectively.

### **Common Pursuits/ Conflict of Interest**

Sonam Tradelink LLP is engaged in the trading business of clock and clock movements, which to an extent, can be considered as common pursuits & conflict of interest amongst Sonam Tradelink LLP and our Company. Further, we have not entered into any non compete agreement with the said entity. We cannot assure that our Promoter who has common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group entity in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other entities in which our Promoter has interests. There can be no assurance that our Promoter or our Promoter Group entities 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.

We cannot assure that our Promoters or Promoter Group 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 14 of this Draft Prospectus. For details of our Promoter Group and Group Companies refer to Section titled “*Our Promoters and Promoter Group*” & “*Our Group Company*” on page 127 and 132 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.

### **Interest of our Promoters**

Interest of the Promoters in our Company as stated below:

#### ***Interest in promotion and shareholding of Our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their 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 them and their relatives. As on the date of this Draft Prospectus, our Promoters, Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah collectively holds 67,19,200 Equity Shares in our Company i.e. 93.33%% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of their 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 Promoters in our Company, please see “*Capital Structure*” on page 48 of this Draft Prospectus

***Interest in the property of Our Company:***

Except as mentioned hereunder our Directors 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. Jayesh Chhabildas Shah and Mrs. Deepaben Jayesh Shah	Registered Office and Manufacturing Facility located at Survey No. 337/P, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India	Our Company has taken the said property on lease from our Directors vide Registered Lease Deed dated August 14 <sup>th</sup> , 2002 for a period of 99 years which is to be expired on March 31, 2101 at an annual rent of Rs. 12,000/- (Rupees Twelve Thousand Only) per annum.
2.	Mr. Jayesh Chhabildas Shah and Mrs. Deepaben Jayesh Shah	Registered Office and Manufacturing Facility located at Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India	Our Company has taken the said property on lease from our Directors vide Registered Lease Deed dated August 14 <sup>th</sup> , 2002 for a period of 99 years which is to be expired on March 31, 2101 at an annual rent of Rs. 6,000/- (Rupees Twelve Thousand Only) per annum.

***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 Z Related Party Transactions*” and “*Our Business*” beginning on page 179 and 88 of this Draft Prospectus, none of our promoter or promoter group entities 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 Z on “Related Party Transactions” on page 179 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 “*Financial Information of our Company*” on page 186 and 136 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 114 also refer Annexure Z on “*Related Party Transactions*” on page 179 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoter*” in chapter titled “*Our Promoter and Promoter Group*” on page 127 of this Draft Prospectus.

**Companies/Firms with which our Promoters have disassociated in the last (3) three years**

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.

**Other ventures of our Promoter**

Save and except as disclosed in this section titled “*Our Promoter & Promoter Group*” and “*Our Group Company*” beginning on page 127 and 132 respectively of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 201 of this draft Prospectus.

### **Experience of Promoters in the line of business**

Our Promoter, Mr. Jayeshbhai Chhabildas Shah is in the clock business since last 32 years. Mrs. Deepaben Jayeshbhai Shah has experience of 16 years respectively in this business. The company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

### **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled “*Annexure - Z*” *Related Party Transactions*” on page 179 of this draft Prospectus.

Except as stated in “*Annexure - R*” *Related Party Transactions*” beginning on page 179 of this draft Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

### ***Nature of family relationship between our Promoters:***

The Promoters of the Company 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 Promoter	Relationship with other Promoters
1	Mr. Jayeshbhai Chhabildas Shah	Husband of Mrs. Deepaben Jayeshbhai Shah
2.	Mrs. Deepaben Jayeshbhai Shah	Wife of Mr. Jayeshbhai Chhabildas Shah

### **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(1)(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) are as follows:

Relationship with Promoter	Mr. Jayeshbhai Chhabildas Shah
Father	Mr. Chhabildas Durlabhji Shah
Mother	Mrs. Ansuyaben Chhabildas Shah
Spouse	Mrs. Deepaben Jayeshbhai Shah
Brother	Mr. Munvantrai Chhabildas Shah, Mr. Bipin Chhabildas Shah, Mr. Shailesh Chhabildas Shah, Mr. Mukesh Chhabildas Shah
Sister	Mrs. Jyotiben Shashikant Movani, Mrs. Ilaben Mahendrakumar Shah, Mrs. Arunaben Prataprai Mehta, Mrs. Meenaben Navinchandra Doshi, Mrs. Naynaben Sudhirkumar Mehta
Son	Mr. Harshil Jayeshbhai Shah
Daughter	Ms. Rutvi Jayeshbhai Shah
Spouse’s Father	Mr. Shantilal Dhirajlal Shah
Spouse’s Mother	Mrs. Manjulaben Shantilal Shah
Spouse’s Brother	Mr. Viresh Shantilal Shah, Mr. Manoj Shantilal Shah
Spouse’s Sister	-

Relationship with Promoter	Mrs. Deepaben Jayeshbhai Shah
Father	Mr. Shantilal Dhirajlal Shah
Mother	Mrs. Manjulaben Shantilal Shah
Spouse	Mr. Jayeshbhai Chhabildas Shah
Brother	Mr. Viresh Shantilal Shah, Mr. Manoj Shantilal Shah
Sister	-
Son	Mr. Harshil Jayeshbhai Shah
Daughter	Ms. Rutvi Jayeshbhai Shah
Spouse's Father	Mr. Chhabildas Durlabhji Shah
Spouse's Mother	Mrs. Ansuyaben Chhabildas Shah
Spouse's Brother	Mr. Munvantrai Chhabildas Shah, Mr. Bipin Chhabildas Shah, Mr. Shailesh Chhabildas Shah, Mr. Mukesh Chhabildas Shah
Spouse's Sister	Mrs. Jyotiben Shashikant Movani, Mrs. Ilaben Mahendrakumar Shah, Mrs. Arunaben Prataprai Mehta, Mrs. Meenaben Navinchandra Doshi, Mrs. Naynaben Sudhirkumar Mehta

## 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(zb) (iv) 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	Sonam Tradelink LLP
2	Any company in which a company mentioned in (1) above, holds 10% or more, of the equity share capital	Nil
3	Any HUF or firm in which the aggregate shareholding of the Promoter and his immediate relatives is equal to or more than 10% of the total	<b>Partnership Firm:-</b> M/s Rutvi Enterprise  <b>HUF's:</b> Jayeshbhai Chhabildas Shah HUF (as Karta) M/s Harshil Enterprise (Proprietorship of HUF)

## OTHER PERSONS INCLUDED IN PROMOTER GROUP:

In terms of Regulation 2(1) (zb) (v) of SEBI (ICDR) Regulations, 2009, Mr. Jatin Shashikant Movani, Mr. Amit Jamnadas Vaghajiyani and Mr. Samir Champaklal Doshi are also included in our Promoter Group.

### OUR GROUP COMPANY

As per the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies which is covered under the applicable accounting standard (AS-18) issued by the Institute of Chartered Accountants of India as per the Restated Financial Statements of our Company. Further, pursuant to a resolution of our Board dated February 21, 2018 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 such company fulfils both the below mentioned conditions :-

- (i) Such company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(z)(b) of the SEBI Regulations; and
- (ii) Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10 % of total revenue of the company as per Restated Financial Statements.

Further, based on the above, the following Company is identified as our Group Company:-

Sonam Tradelink LLP

The details of our Group Company are provided below:-

#### 1. Sonam Tradelink LLP

<b>Brief Description of Business</b>	Engaged in the trading business of clock and clock movements.	
<b>Date of Incorporation</b>	July 22, 2015	
<b>LLP Identification Number</b>	AAE-4271	
<b>PAN</b>	ACWFS1565N	
<b>Registered Office Address</b>	Pruthviraj Para, Plot No. 75p 2, Lati Plot, Morbi, Rajkot, Gujarat - 363641, India	
<b>Designated Partners*</b>	<b>Name</b>	<b>DPIN</b>
	Harshil Jayeshbhai Shah	07230243
	Jatin Shabsikant Movani	07230297
	<i>(Rs. in Lacs, rounded off except per share data)</i>	
<b>Audited Financial Information</b>	<b>For the year Ended</b>	
	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>Capital Contribution (Fixed)</b>	1.00	1.00
<b>Capital Contribution (Current)</b>	14.13	5.86
<b>Total Revenue (including other income)</b>	198.44	55.40
<b>Profit/ (Loss) after tax</b>	2.27	0.06

\*As on date of Draft Prospectus

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last two Financial years.

**Capital Contribution as on the date of the Draft Prospectus is as follows:**

Sr. No.	Name of the Designated Partner	Capital contribution (in %)
1.	Harshil Jayeshbhai Shah	90.00
2.	Jatin Shabsikant Movani	10.00

#### Nature and extent of interest of our Promoter

Our Promoters has not made any capital contribution in Sonam Tradelink LLP as on date of Draft Prospectus.

#### Loss making / Negative Networth Company

Our Group Company has not made any loss or has negative networth in the past.

#### Defunct Group Companies:-

Our Group Company has not remained defunct and no application has been made to the RoC for striking off the name of Sonam Tradelink LLP during the five years preceding the date of this Draft Prospectus.

#### **Sick company and winding up:-**

Our Group Company does not fall under the definition of sick companies under the erstwhile SICA and none of them are under winding up. Further, there are no pending proceedings under the Insolvency and Bankruptcy Code, 2016 in respect of our Group Company.

#### **Nature and Extent of Interest of Group Company**

##### **a) In the promotion of our Company :**

Our Group Company does not have any interest in the promotion of our Company. For details relating to shareholding or any other business interest, please refer to chapter titled “*Capital Structure*” on page 48 and “*Financial Information of the Company*” - *Annexure R- Related party Transactions* on page 179 of this Draft Prospectus.

##### **b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus with stock exchange:**

Our Group Company does not have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Prospectus with Stock Exchange.

##### **c) In transactions for acquisition of land, construction of building and supply of machinery**

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery

#### **Common Pursuits/ Conflict of Interest amongst the Group Companies with our Company**

Sonam Tradelink LLP is engaged in the trading business of clock and clock movements, which to an extent, can be considered as common pursuits & conflict of interest amongst Sonam Tradelink LLP and our Company.

As on date of this Draft Prospectus, we cannot assure that our Promoters, Promoter Group or Group Company will not promote any new activity /entity in the similar line of business. 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 company:**

For details relating to the business transactions within the Group Company and their significance on the financial performance of the Company see the chapter titled “*Financial Information of the Company – Annexure Z - Related Party Transactions*” on page 179 of this Draft Prospectus.

#### **Sales / Purchase between our Company and Group Company:**

For details relating to sales or purchases between our Company and any of our Group Company exceeding 10% of the sales or purchases of our Company see the chapter titled “*Financial Information of the Company– Annexure Z - Related Party Transactions*” on page 179 of this Draft Prospectus.

#### **Business Interests amongst our Company and Group Companies**

Except as mentioned under Related Party Transactions, *Annexure R - Related Party Transactions*” beginning on page 179 under Chapter titled “*Financial Information of the Company*” there is no business interest among Group Company.

#### **Undertaking / confirmations**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other 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 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 individual Promoters (as defined under the Companies Act) nor our Group Companies /entities 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 or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters, Promoter Group or the Group Company has become sick Companies under the erstwhile SICA or under the present IBC law 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.

#### **Litigation**

For details relating to the legal proceedings involving the Group Company, see the section titled “*Outstanding Litigation and Material Developments*” on page 201 of this Draft Prospectus.



## **DIVIDEND POLICY**

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS**  
**OF "SONAM CLOCK LTD."**  
**(PREVIOUSLY KNOWN AS "SONAM CLOCK PVT. LTD.")**  
(As required by Part I of Chapter III to the Companies Act, 2013)

To,  
The Board of Directors,  
**SONAM CLOCK LTD.**  
Survey No. 337/p, Morbi Rajkot Highway,  
Tal. Tankara, Dist. Morbi,  
Gujarat, India - 363641

Dear Sirs,

**Report on Restated Financial Statements**

1. We have examined the attached restated financial statements of **SONAM CLOCK LTD.** (Previously known as "**SONAM CLOCK PVT. LTD.**") (hereinafter referred as "the Company") as at 31<sup>st</sup> December, 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 and the related Restated Statement of Profit & Loss for the nine months period ended 31<sup>st</sup> December, 2017, for each of the financial years ended on 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 and Restated Statement of Cash Flow for the nine months period ended 31<sup>st</sup> December, 2017, for each of the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 (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 Emerge Platform of National Stock Exchange of India Limited ("NSE").
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 standalone 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 Emerge Platform of National Stock Exchange of India Limited ("NSE") ("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 period ended 31<sup>st</sup> December, 2017, for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 which have been approved by the Board of Directors.
4. Audit of the financial statements for the nine months period ended 31<sup>st</sup> December, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 & 2013 has been conducted by Company's Statutory Auditors, M/s D. V. Bakrania & Associates, Chartered Accountants (F. R. No. 127116W).

Further, financial statements for the nine months period ended 31<sup>st</sup> December, 2017 and for the year ended March 31, 2017 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, 2017, March 31, 2016, 2015, 2014 and 2013 is based on the audited

financial statements of the Company which were audited by the Statutory Auditors, M/s. D. V. Bakrania & Associates, Chartered Accountants (F. R. No. 127116W) 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 Standalone 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 31<sup>st</sup> December, 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Assets & Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
  - (ii) The "Restated Standalone Statement of Profit & Loss" as set out in **Annexure II** to this report, of the Company for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Profit & Loss, as restated have been arrived at after making such adjustments and regroupings to the individual standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
  - (iii) The "Restated Standalone Statement of Cash Flow" as set out in **Annexure III** to this report, of the Company for the period ended 31<sup>st</sup> December, 2017, and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
6. Based on the above and according to information and explanations given to us, and also as per the reliance placed on the reports submitted by the statutory auditors M/s D. V. Bakrania & Associates, Chartered Accountants (F. R. No. 127116W) for the respective periods / years, we are of the opinion that the Restated Standalone 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) Adjustments for 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 period ended 31<sup>st</sup> December, 2017, for the financial years ended on 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013

- (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 CG1**)
- (v) Statement of Terms & Conditions of Unsecured Loans (**Annexure CG2**)
- (vi) Statement of Deferred Tax (Assets) / Liabilities enclosed as **Annexure D**
- (vii) Statement of Other Long Term Liabilities enclosed as **Annexure E**
- (viii) Statement of Long Term Provisions enclosed as **Annexure F**
- (ix) Statement of Short Term Borrowings enclosed as **Annexure G**
- (x) Statement of Trade Payables enclosed as **Annexure H**
- (xi) Statement of Other Current Liabilities enclosed as **Annexure I**
- (xii) Statement of Short Term Provisions enclosed as **Annexure J**
- (xiii) Statement of Fixed Assets enclosed as **Annexure K**
- (xiv) Statement of Long Term Loans & Advances enclosed as **Annexure L**
- (xv) Statement of Other Non-Current Assets enclosed as **Annexure M**
- (xvi) Statement of Inventories enclosed as **Annexure N**
- (xvii) Statement of Trade Receivables enclosed as **Annexure O**
- (xviii) Statement of Cash & Cash Equivalents enclosed as **Annexure P**
- (xix) Statement of Short Term Loans & Advances enclosed as **Annexure Q**
- (xx) Statement of Other Current Assets enclosed as **Annexure R**
- (xxi) Statement of Revenue from Operations and Other Income enclosed as **Annexure S**
- (xxii) Statement of Raw Materials & Components enclosed as **Annexure T**
- (xxiii) Statement of Changes in Inventories of Finished Goods, Work-In-Progress And Stock-In-Trade enclosed as **Annexure U**
- (xxiv) Statement of Employee Benefit Expenses enclosed as **Annexure V**
- (xxv) Statement of Other Expenses enclosed as **Annexure W**
- (xxvi) Statement of Finance Costs enclosed as **Annexure X**
- (xxvii) Statement of Contingent Liabilities enclosed as **Annexure Y**
- (xxviii) Statement of Related Party Transactions enclosed as **Annexure Z**
- (xxix) Statement of Capitalization as at December 31, 2017 (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 AA**
- (xxx) 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 AB**
- (xxxi) Statement of Tax Shelter enclosed as **Annexure AC**
- (xxxii) Statement of Dividend Declared enclosed as **Annexure AD**

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the statutory auditors M/s D. V. Bakrania & Associates, Chartered Accountants (F. R. No. 127116W), in our opinion, the Restated Financial Statements for the nine months period ended 31<sup>st</sup> December, 2017 and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 read with Restated Significant Accounting Policies disclosed in Annexure IV are prepared after making adjustments and regroupings / reclassification as considered appropriate (Refer Annexure IV) and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

8. We, **M/s. J. B. Shah & Co.**, Chartered Accountants (F. R. No. 121333W), 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. 009310 dated September 16, 2016 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 AD** 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 standalone financial information may not necessarily be same as those appearing in the respective audited standalone financial statements for the relevant years
14. 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.

### **15. 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 standalone financial statements

### **16. 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 31<sup>st</sup> December, 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013;
- b) In the case of the Restated Statement of Profit and Loss, of the profit 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 J. B. Shah & Co.**  
**Chartered Accountants**

Firm No. – 121333W

**Sd/-**  
**CA. Jasmin B. Shah**  
**Proprietor**  
M. No.: 046238

Place: Morbi  
Date: 28<sup>th</sup> February, 2018

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

(Amt. Rs. in Lacs)

	Particulars	Ann x.	As At					
			31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(1)</b>	<b>Equity &amp; Liabilities</b>							
	Shareholders' Funds							
	(a) Share Capital	<b>A</b>	720.00	540.00	540.00	180.00	180.00	180.00
	(b) Reserves & Surplus	<b>B</b>	440.60	394.70	314.00	405.89	364.90	307.38
			<b>1,160.60</b>	<b>934.70</b>	<b>854.00</b>	<b>585.89</b>	<b>544.90</b>	<b>487.38</b>
<b>(2)</b>	<b>Non Current Liabilities</b>							
	(a) Long-term borrowings	<b>C</b>	695.72	643.41	533.79	845.45	832.67	587.02
	(b) Deferred tax liabilities (net)	<b>D</b>	100.36	112.38	98.59	77.93	72.76	58.62
	(c) Other Long-term Liabilities	<b>E</b>	-	-	-	-	4.10	4.10
	(d) Long-term provisions	<b>F</b>	12.47	11.51	9.40	9.69	7.83	5.31
			<b>808.54</b>	<b>767.31</b>	<b>641.78</b>	<b>933.06</b>	<b>917.37</b>	<b>655.05</b>
<b>(3)</b>	<b>Current liabilities</b>							
	(a) Short-term borrowings	<b>G</b>	1,133.20	1,215.42	1,239.99	909.23	793.78	786.48
	(b) Trade payables	<b>H</b>						
	- Dues to Micro & Small Enterprises		-	-	-	-	-	-
	- Dues to Other Than Micro & Small Enterprises		477.66	398.32	384.02	205.41	511.85	561.57
	(c) Other current liabilities	<b>I</b>	60.96	103.63	122.51	158.86	182.48	153.88
	(d) Short-term provisions	<b>J</b>	133.20	74.54	174.64	60.04	57.11	69.24
			<b>1,805.02</b>	<b>1,791.91</b>	<b>1,921.16</b>	<b>1,333.54</b>	<b>1,545.23</b>	<b>1,571.16</b>
	<b>Total</b>		<b>3,774.16</b>	<b>3,493.92</b>	<b>3,416.94</b>	<b>2,852.49</b>	<b>3,007.50</b>	<b>2,713.59</b>
	<b>Assets</b>							
<b>(4)</b>	<b>Non-current assets</b>							
	(a) Fixed Assets	<b>K</b>						
	- Property, Plant & Equipment		1,409.28	1,413.98	1,358.59	1,187.57	1,133.38	924.54
	- Intangible Assets		-	-	-	-	-	-
	- Capital Work-In-Progress		-	-	-	-	80.64	147.99
	(b) Long-term loans and advances	<b>L</b>	11.05	11.09	11.09	10.20	12.54	12.54
	(c) Other non-current assets	<b>M</b>	-	-	-	-	1.06	1.06
			<b>1,420.33</b>	<b>1,425.07</b>	<b>1,369.68</b>	<b>1,197.77</b>	<b>1,227.63</b>	<b>1,086.14</b>
<b>(5)</b>	<b>Current Assets</b>							
	(a) Inventories	<b>N</b>	1,116.04	1,173.35	1,370.18	1,090.55	1,194.65	989.40
	(b) Trade Receivables	<b>O</b>	1,022.56	710.31	296.34	278.72	271.59	405.47
	(c) Cash & Bank Balances	<b>P</b>	17.36	2.83	13.79	18.70	64.96	56.47
	(d) Short Term Loans & Advances	<b>Q</b>	159.62	146.56	330.70	265.76	247.11	174.59
	(e) Other Current Assets	<b>R</b>	38.25	35.78	36.25	0.98	1.56	1.52
			<b>2,353.84</b>	<b>2,068.84</b>	<b>2,047.26</b>	<b>1,654.72</b>	<b>1,779.87</b>	<b>1,627.45</b>
	<b>Total</b>		<b>3,774.16</b>	<b>3,493.92</b>	<b>3,416.94</b>	<b>2,852.49</b>	<b>3,007.50</b>	<b>2,713.59</b>

**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 Annexure(s) II, III and IV respectively.

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

(Amt Rs. in Lacs)

Particulars	Annx.	For the Period / Year Ended					
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Continuing Operations</b>							
<b>Revenue from operations:</b>							
- Revenue From Sale of Products	S	3,811.58	3,792.85	3,402.71	3,279.30	3,262.03	3,202.15
- Revenue From Sale of Services		-	-	-	-	-	-
- Other Operating Income	S	10.45	38.55	123.08	50.36	70.83	115.85
<b>Net Revenue from operations</b>		<b>3,822.03</b>	<b>3,831.40</b>	<b>3,525.80</b>	<b>3,329.66</b>	<b>3,332.85</b>	<b>3,318.00</b>
Other income	S	39.84	71.77	156.55	76.01	22.49	53.47
<b>Total Revenue (A)</b>		<b>3,861.88</b>	<b>3,903.16</b>	<b>3,682.35</b>	<b>3,405.67</b>	<b>3,355.35</b>	<b>3,371.47</b>
<b>Expenses:</b>							
Cost of Raw Materials Consumed	T	2,625.90	2,548.31	2,649.92	2,130.38	2,356.02	2,449.34
Purchase of Stock-in-trade		-	-	-	-	-	-
Changes in inventories of finished goods, WIP and Stock-in-Trade	U	(52.53)	(1.84)	(206.48)	164.71	(104.37)	(73.17)
Employee benefits expense	V	423.81	511.65	358.85	361.39	363.62	313.60
Other expenses	W	328.82	403.45	346.96	390.58	381.48	334.02
<b>Total Expenses (B)</b>		<b>3,325.99</b>	<b>3,461.57</b>	<b>3,149.25</b>	<b>3,047.07</b>	<b>2,996.75</b>	<b>3,023.78</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>		<b>535.89</b>	<b>441.60</b>	<b>533.10</b>	<b>358.60</b>	<b>358.60</b>	<b>347.68</b>
Finance costs	X	159.84	215.71	231.05	205.09	206.91	229.73
Depreciation and amortization expenses		78.09	98.23	91.35	92.72	56.29	42.09
<b>Net Profit Before Tax &amp; Extraordinary Items (C=A-B)</b>		<b>297.96</b>	<b>127.65</b>	<b>210.70</b>	<b>60.79</b>	<b>95.40</b>	<b>75.87</b>
<b>Provision for Tax</b>							
- Current Tax		80.28	28.55	56.45	14.26	19.59	18.32
- Tax adjustment of prior years		3.80	4.61	(1.23)	0.38	4.15	1.82
- Deferred Tax Liability / (Asset)		(12.03)	13.79	20.67	5.16	14.14	10.20
<b>Tax Expense For The Year (D)</b>		<b>72.05</b>	<b>46.95</b>	<b>75.88</b>	<b>19.80</b>	<b>37.88</b>	<b>30.34</b>
<b>Net Profit before extraordinary items (E=C-D)</b>		<b>225.90</b>	<b>80.70</b>	<b>134.82</b>	<b>40.99</b>	<b>57.52</b>	<b>45.53</b>
Extraordinary items (Net of Tax) [Refer Note 17(I)(1)] (F)		-	-	133.29	-	-	-
<b>Restated Net Profit after Extraordinary Items from Continuing Operations (G=E+F)</b>		<b>225.90</b>	<b>80.70</b>	<b>268.11</b>	<b>40.99</b>	<b>57.52</b>	<b>45.53</b>
Net Profit from Discontinuing Operations (J)		-	-	-	-	-	-
<b>Restated Net Profit for the year from total operations (K=I+J)</b>		<b>225.90</b>	<b>80.70</b>	<b>268.11</b>	<b>40.99</b>	<b>57.52</b>	<b>45.53</b>

**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 Rs. in Lacs)

Particulars	For the Year ended					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>1. Cash Flow From Operating Activities:</b>						
<b>Net Profit before tax, extraordinary &amp; exceptional item</b>	<b>297.96</b>	<b>127.65</b>	<b>210.70</b>	<b>60.79</b>	<b>95.40</b>	<b>75.87</b>
Adjustments for:						
Depreciation and amortization expense	78.09	98.23	91.35	92.72	56.29	42.09
Finance Cost	159.84	215.71	231.05	205.09	206.91	229.73
Interest Received / Other Non Operative Receipts	(0.95)	(2.75)	(1.25)	(2.76)	(5.51)	(4.78)
<b>Operating Profit before Changes in Working Capital</b>	<b>534.93</b>	<b>438.85</b>	<b>531.84</b>	<b>355.84</b>	<b>353.10</b>	<b>342.91</b>
Adjustments for:						
Inventories	57.32	196.83	(279.63)	104.10	(205.25)	(51.31)
Trade Receivables	(312.25)	(413.97)	(17.62)	(7.14)	133.88	(88.24)
Short Term & Long Term Loans & Advances	(17.58)	109.10	19.59	(11.10)	(68.44)	(48.65)
Other Current Assets	(2.47)	0.47	(35.28)	0.59	(0.05)	0.95
Trade Payables	79.34	14.31	178.61	(306.45)	(49.72)	176.34
Other Current Liabilities	(42.67)	(18.88)	(36.35)	(23.62)	28.61	49.50
Short Term & Long Term Provision	7.89	(4.27)	6.29	10.11	(10.87)	4.18
Other Long term Liabilities	-	-	-	(4.10)	-	(14.00)
Other Current Assets	-	-	-	1.06	-	-
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(230.42)</b>	<b>(116.42)</b>	<b>(164.38)</b>	<b>(236.55)</b>	<b>(171.83)</b>	<b>28.77</b>
Cash Flow from Extra-Ordinary Items & Exceptional Item	-	-	133.29	-	-	-
<b>Cash Generated from Operations</b>	<b>304.51</b>	<b>322.43</b>	<b>500.75</b>	<b>119.29</b>	<b>181.26</b>	<b>371.68</b>
Taxes Paid	27.80	51.86	32.59	25.17	26.55	21.45
<b>Net Cash from Operating Activities</b>	<b>276.71</b>	<b>270.57</b>	<b>468.16</b>	<b>94.12</b>	<b>154.71</b>	<b>350.22</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased (Net)	(73.38)	(153.63)	(262.38)	(66.26)	(197.78)	(178.15)
Interest Received/ Other Non Operative Receipts	0.95	2.75	1.25	2.76	5.51	4.78
<b>Net Cash from Investing Activities</b>	<b>(72.43)</b>	<b>(150.88)</b>	<b>(261.12)</b>	<b>(63.50)</b>	<b>(192.27)</b>	<b>(173.37)</b>
<b>3. Cash Flow From Financing Activities:</b>						
Proceeds from Issue of Shares	-	-	-	-	-	-
Proceeds from Short term borrowings	(82.22)	(24.57)	330.75	115.45	7.30	15.21
Proceeds from Long term borrowings	52.31	109.63	(311.66)	12.77	245.66	59.32
Finance Cost	(159.84)	(215.71)	(231.05)	(205.09)	(206.91)	(229.73)
<b>Net Cash from Financing Activities</b>	<b>(189.76)</b>	<b>(130.65)</b>	<b>(211.95)</b>	<b>(76.87)</b>	<b>46.05</b>	<b>(155.20)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>14.53</b>	<b>(10.96)</b>	<b>(4.91)</b>	<b>(46.26)</b>	<b>8.49</b>	<b>21.65</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>2.83</b>	<b>13.79</b>	<b>18.70</b>	<b>64.96</b>	<b>56.47</b>	<b>34.82</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>17.36</b>	<b>2.83</b>	<b>13.79</b>	<b>18.70</b>	<b>64.96</b>	<b>56.47</b>

## Notes:

1. Components of Cash & Cash Equivalents :						
As At						
Particulars	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Cash on Hand	10.88	2.21	13.32	13.24	10.47	6.71
Balances with Scheduled Banks	-	-	-	-	-	-
In Current Accounts	0.82	0.62	0.47	0.32	1.29	0.33
In Deposit Accounts	5.66	-	-	5.14	53.20	49.44
<b>Total Cash &amp; Cash Equivalents</b>	<b>17.36</b>	<b>2.83</b>	<b>13.79</b>	<b>18.70</b>	<b>64.96</b>	<b>56.47</b>

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**

**The Company**

"SONAM CLOCK LIMITED" was originally incorporated as "Sonam Clock Private Limited" on June 21, 2001 vide Registration no. 039689/2001-2002 (CIN: U33302GJ2001PTC039689) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar haveli. Further, pursuant to Special Resolution passed by the shareholders at the **Extra Ordinary General Meeting held on January 29, 2018**, our company was converted into a Public Limited Company and consequently the name of our Company was changed from "**Sonam Clock Private Limited**" to "**Sonam Clock Limited**" vide a fresh Certificate of Incorporation dated February 07, 2018 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is **U33302GJ2001PLC039689**

**Nature of Operations**

The Company is having its manufacturing facilities at Morbi, Gujarat, is presently engaged in Manufacturing & Sale of Horological items, Clocks, Clock Movements and related items.

**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 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 financial statements for the period ended 31st December, 2017 and 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 and 31 March 2013 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.

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 on 31st March, 2013 to 31st March, 2017. However, the company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in statement of profit & loss for the period ended 31st Dec., 2017 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years / periods on the basis of actuarial valuation.

**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 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.

##### Sales of Goods :

Sales are recognized when significant risks and rewards of ownership of goods have been passed to the buyer. Sales and Purchases are being accounted for duties and taxes.

##### Interest :

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

##### Rent :

Rent income from Vodafone is recognized on a time proportion basis at the rates and as per the terms & conditions agreed upon with the it.

##### Other Income :

Other Income being DEPB licence income, discount and rate difference income, insurance claim income, etc. are being recognized on accrual basis in the year in which 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. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalized. Long-term leasehold assets are capitalized under fixed assets.

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying amounts exceed the recoverable amount of the asset's CGU, assets are written down to their recoverable amount. Recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### **3. Depreciation**

Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 up to the years ended on 31/03/2014. 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. In respect of assets whose useful life is already exhausted as on 1st April, 2014, the carrying amount as on 1st April, 2014 after retaining the Scrap Value, has been adjusted through statement of profit & loss in FY 14-15 in line with MCA Notification dated 29/08/2014.

**The details of useful life of an asset and its residual value 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
Factory Building	30 Years	3.34%
Plant & Machineries	15 Years	4.75%
Electric Fittings	10 Years	4.75%
Vehicles (Scooters & Mopeds)	10 Years	9.50%
Vehicles (Motor Cars & Motor Buses)	8 Years	9.50%
Office Equipments	5 Years	6.33%
Furniture & Fixtures	10 Years	6.33%
Computers	3 Years	16.21%

In none of the case the residual value of an asset is more than five per cent of the original cost of the asset

#### 4. Inventories

Inventories of Raw Materials, Semi-Finished Goods, Finished Goods and Waste & Scrap are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs which in the opinion and best judgement of the management of the company are being incurred in bringing the inventories to their present location and condition. Cost formula used is 'Average 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:

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

##### Defined-benefit plans:

Provision for gratuity liability is provided based on actuarial valuation made covering all the period of five years.

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. Foreign exchange transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account.

Foreign currency translation differences relating to liabilities incurred for purchasing of fixed assets from foreign countries are recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the profit and loss account.

#### 7. Lease accounting

Operating Leases: Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of statement of profit and loss. Initial direct cost in respect of the lease acquired are expensed out in the year in which such costs are incurred.

#### 8. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

#### 9. 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.

#### **10. 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. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

#### **11. 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

#### **12. Cash & Cash Equivalents**

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.

#### **13. 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 "manufacturing & Trading of Horological items & Plastic Articles". 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, 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, year ended March 31, 2016, year ended March 31, 2017 and period ended December 31, 2017 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. 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)**

A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.

**2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule VI to the Companies Act, 1956.

3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-Z 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. Rs. in lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	104.55	117.63	103.49	81.84	76.47	61.07
(DTA) on account of gratuity provision	(4.19)	(5.25)	(4.90)	(3.92)	(3.71)	(2.44)
<b>Net Deferred Tax (Asset)/Liability</b>	<b>100.36</b>	<b>112.38</b>	<b>98.59</b>	<b>77.93</b>	<b>72.76</b>	<b>58.62</b>

**5. Directors' Remuneration:**

(Amt. Rs. in Lacs)

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Directors' Salary	141.00	216.00	138.00	138.00	138.00	120.00
<b>Total</b>	<b>141.00</b>	<b>216.00</b>	<b>138.00</b>	<b>138.00</b>	<b>138.00</b>	<b>120.00</b>

**6. Auditors' Remuneration:**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
a. As Auditors						
Statutory & Tax Audit Fees *	0.77	0.30	0.30	0.30	0.30	0.30
<b>Total</b>	<b>0.77</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>

\* Including Service Tax/GST

## 7. Earnings Per Share :

Earnings per Share have been calculated as under:

(Amount in Lacs, except EPS)

Particulars	Nine Months Ended	For the Year Ended				
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
A. Number of Shares at the beginning of the year	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
Shares issued during the year:						
- Allotment (Bonus Issue) *	-	-	-	-	-	-
B. Total Number of equity shares outstanding at the end of the year	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
C. Weighted average number of equity shares outstanding during the year (Considering Bonus Issue)	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
D. Net profit after tax available for equity shareholders <b>(Before Extra-Ordinary Items)</b> (as restated)	225.90	80.70	134.82	40.99	57.52	45.53
E. Basic and Diluted earnings per share (Rs.) (D/C)	3.14	1.12	1.87	0.57	0.80	0.63

\* Bonus Shares issued in FY 15-16 and during the nine months period ended 31st Dec. 17. So considering the amounts of all previous periods are restated.

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 trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.
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. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>1. The amounts recognized in the Balance Sheet are as follows:</b>						
Present value of unfunded	15.22	15.87	14.83	12.67	12.00	7.91



obligations recognized						
<b>Net Liability</b>	<b>15.22</b>	<b>15.87</b>	<b>14.83</b>	<b>12.67</b>	<b>12.00</b>	<b>7.91</b>
<b>2. The amounts recognized in the Profit &amp; Loss A/c are as follows:</b>						
Current Service Cost	3.72	4.89	2.75	2.73	2.73	1.81
Interest on Defined Benefit Obligation	0.89	1.11	0.95	0.90	0.59	0.30
Net Actuarial Losses / (Gains) Recognized in Year	(5.26)	(4.96)	(1.55)	(2.96)	0.77	1.76
Past Service Cost	-	-	-	-	-	-
Total, Included in "Salaries, allowances & welfare"	-	-	-	-	-	-
	<b>(0.65)</b>	<b>1.04</b>	<b>2.16</b>	<b>0.67</b>	<b>4.09</b>	<b>3.87</b>
<b>3. Changes in the present value of defined benefit obligation:</b>						
Defined benefit obligation as at the beginning of the year/period	15.87	14.83	12.67	12.00	7.91	4.04
Service cost	3.72	4.89	2.75	2.73	2.73	1.81
Interest cost	0.89	1.11	0.95	0.90	0.59	0.30
Actuarial Losses/(Gains)	(5.26)	(4.96)	(1.55)	(2.96)	0.77	1.76
Past Service Cost	-	-	-	-	-	-
<b>Defined benefit obligation as at the end of the year/period</b>	<b>15.22</b>	<b>15.87</b>	<b>14.83</b>	<b>12.67</b>	<b>12.00</b>	<b>7.91</b>
<b>Current / Non-Current Liability</b>						
<b>Current Liability (classified as Short Term Provision)</b>	2.75	4.35	5.42	2.98	4.17	2.60
<b>Non-Current Liability (classified as Long Term Provision)</b>	12.47	11.51	9.40	9.69	7.83	5.31
	<b>15.22</b>	<b>15.87</b>	<b>14.83</b>	<b>12.67</b>	<b>12.00</b>	<b>7.91</b>
<b>Benefit Description:</b>						
Benefit type:	<b>Benefit of Gratuity Valuation as per Act</b>					
Retirement Age:	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Vesting Period:	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
<b>The principal actuarial assumptions for the above are:</b>						
Future Salary Rise:	7.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Discount rate per annum:	8.00% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.
Withdrawal Rate:						
For 18 to 30 Years p.a.	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
For 30 to 44 Years p.a.	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
For 44 to 60 Years p.a.	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Mortality Rate:	IALM 2006-08 Ult.	IALM 2006-08 Ult.	IALM 2006-08 Ult.	IALM 2006-08 Ult.	IALM 2006-08 Ult.	LIC 94-96 Ult.

**(b) Defined Contribution Plans**

The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme. Contributions to Provident Fund are included under head Employee Benefit Expenses in the Statement of profit and loss.

(Amt. Rs. in Lacs)

	Nine Months Ended	For the Year Ended				
	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Provident Fund	19.71	21.84	14.02	15.91	17.82	12.14

**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 in lakhs. Figures in brackets indicate negative values

**15. Previous year's figures**

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. Leases****Operating Lease**

Operating leases are mainly in the nature of lease of factory land, with no restrictions and are renewable by mutual consent. Lease rental payments made by the Company are recognized in the statement of profit and loss.

**Lease payments recognized in statement of profit & loss :**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Lease Rentals Paid / Provided for	3.06	0.12	0.12	0.12	0.12	0.12

**17(I) 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 and Accounting Standards.

**Statement of Adjustments in the financial statements:**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	214.25	84.69	270.84	36.75	62.08	49.25
<b>Adjustment on Account of :</b>						
<b>1. Add / (Less) : Adjustment of Gratuity Provision</b>	15.87	(1.04)	(2.16)	(0.67)	(4.09)	(3.87)

2. Add / (Less) : Adjustment of Deferred Tax Provision	6.09	(1.25)	(6.26)	0.36	0.55	0.33
3. Add / (Less) : Adjustment of Depreciation	(11.77)	2.16	1.53	(0.48)	2.31	3.58
4. Add / (Less) : Adjustment of Foreign Exchange Rate Difference	-	(2.39)	0.63	(1.18)	2.94	-
5. Add / (Less) : Adjustment of Inventory Valuation	3.50	0.29	(1.52)	6.31	(1.36)	(7.22)
6. Adjustment of IT Provision	(2.03)	(1.77)	5.04	(0.09)	(4.92)	3.46
<b>Total (B)</b>	<b>11.66</b>	<b>(3.99)</b>	<b>(2.73)</b>	<b>4.24</b>	<b>(4.56)</b>	<b>(3.72)</b>
<b>Net Profit as Restated (A+B)</b>	<b>225.90</b>	<b>80.70</b>	<b>268.11</b>	<b>40.99</b>	<b>57.52</b>	<b>45.53</b>

#### **NOTES ON RESTATEMENTS :-**

##### **1. Extra Ordinary Items / Other Income**

During the financial year 15-16, a search took place at the premises of the Company by Income Tax Authorities wherein, the Company has made disclosure of total income of Rs. 311.12 Lacs, comprising of (a) Rs. 111.99 lacs relating to the income earned during the relevant financial year 15-16 deployed for acquiring purchases of raw materials, and thus considered as other income and (b) Rs. 199.13 Lacs towards the addition of factory building shed / office building, which has been taken into extra-ordinary income. Income disclosed of Rs. 199.13 Lacs towards factory building shed / office building, has been considered as Extra- Ordinary Items with net of tax, amounting to Rs. 133.29 Lacs (Rs. 199.13 Lacs - Tax Impact Rs. 65.84 Lacs).

##### **2. Provision of Gratuity**

The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in statement of profit & loss for the period ended 31st Dec., 2017 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years / periods on the basis of actuarial valuation.

##### **3. Adjustment of Deferred Tax Provision**

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being gratuity, restated closing WDV's as per books and as per income tax act.

##### **4. Adjustment of Depreciation**

Adjustment of depreciation is on account of depreciation being calculated in restated financial statements based on actual put to use date for the years ended 31st March, 2013 to 31st March, 2017. However the cumulative impact of the same has been adjusted in the audited financial statements for the nine months ended 31st December, 2017.

##### **5. Adjustment of Foreign Exchange Rate Difference**

Adjustment of foreign exchange rate difference is on account of valuing some of monetary items outstanding at year end at closing exchange rate prevailing at respective year end, which is in line with AS-11.

##### **6. Adjustment of Inventory Valuation**

Inventory Valuation Restated after excluding impact of Export Related Expenses, Depreciation on Vehicles & Computers being considered in Audited Financial Statements

##### **7. Adjustment of IT Provision**

Adjustment of IT Provision is on account of restated taxable income arrived at after giving effect of above mentioned material adjustments and as per normal rules of income tax provision.

**17(II) Reconciliation of Opening Reserves as on 1st April, 2012**

Particulars	Amt. (Rs. In Lacs)	Amt. (Rs. In Lacs)
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per last financial statements	-	262.31
Add : Difference in Depreciation	2.67	-
Less : Gratuity Provision upto 31.03.12	(4.04)	-
Add : Adjustment in Opening Deferred Tax Provision	0.19	-
Add : Adjustment in Opening Income Tax Provision	0.72	(0.47)
Surplus in Statement of Profit & Loss (Restated) Opening 1st April, 2012	-	261.85

**18. Material Regrouping in Restated Financial Statements**

Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company for the period ended December 31, 2017 prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended) The following tables signify material regroupings carried out in restated financial statements:

**Table 1: Reconciliation of Long Term Liabilities**

Closing Gratuity Provision restated under Long Term Provision as per actuary valuation report year wise instead of Long Term Liabilities as per Audited Financial Statements (AFS)

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Long Term Liabilities as per AFS	15.22	-	-	-	4.10	4.10
Closing Gratuity Provision (Short Term Portion as per Actuarial Valuation Report)	(2.75)	-	-	-	-	-
Closing Gratuity Provision (Long Term Portion as per Actuarial Valuation Report)	(12.47)	-	-	-	-	-
Long Term Liabilities as Restated	-	-	-	-	4.10	4.10

**Table 2: Reconciliation of Long Term Provisions**

Closing Gratuity Provision restated under Long Term Provision as per actuary valuation report year wise instead of Long Term Liabilities as per Audited Financial Statements (AFS)

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Long Term Provisions as per AFS	-	-	-	-	-	-
Closing Gratuity Provision (Long Term Portion as per Actuarial Valuation Report)	12.47	11.51	9.40	9.69	7.83	5.31
Long Term Provisions as Restated	12.47	11.51	9.40	9.69	7.83	5.31

**Table 3: Reconciliation of Short Term Borrowings**

Closing Gratuity Provision restated under Long Term Provision as per actuary valuation report year wise instead of Long Term Liabilities as per Audited Financial Statements (AFS)

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Short Term Borrowings as per AFS	1,133.20	1,215.42	1,239.99	909.23	920.91	881.37

Re-Classification of Trade Payables against Buyers Credit	-	-	-	-	(127.13)	(94.89)
Short Term Borrowings as Restated	1,133.20	1,215.42	1,239.99	909.23	793.78	786.48

**Table 4: Reconciliation of Trade Payables**

Trade Payables adjusted for effect of Foreign Exchange Rate Difference as per AS-11 : Effect of Changes in Foreign Exchange Rates

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Trade Payables as per AFS	477.66	398.32	385.62	207.01	388.06	466.68
Re-Classification of Trade Payables against Buyers Credit	-	-	-	-	127.13	94.89
Foreign Exchange Rate Difference	-	-	(1.60)	(1.60)	(3.34)	-
Trade Payables as per Restated	477.66	398.32	384.02	205.41	511.85	561.57

**Table 5: Reconciliation of Other Current Liabilities**

1.) Provision made for sundry expenses payable like Salary & Bonus, Electricity, Audit Fees, etc. restated under short term provisions instead of Other Current Liabilities as per Audited Financial Statements (AFS)

2.) Effect of Foreign Exchange Rate Difference given to Advances Received from Customers (AFC) in foreign currency and outstanding as at year end.

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Other Current Liabilities as per AFS	111.13	145.26	169.45	201.55	215.79	202.20
Provisions for Exps.	(50.17)	(41.63)	(46.94)	(42.80)	(33.36)	(48.32)
Effect of Foreign Exchange Rate Difference in Advances Received from Customers (AFC)	-	-	-	0.11	0.05	-
Other Current Liabilities as Restated	60.96	103.63	122.51	158.86	182.48	153.88

**Table 6: Reconciliation of Short Term Provisions**

1.) Provision made for sundry expenses payable like Salary & Bonus, Electricity, Audit Fees, etc. restated under short term provisions instead of Other Current Liabilities as per Audited Financial Statements (AFS)

2.) Closing Gratuity Provision restated under Short Term Provision as per actuary valuation report instead of Other Current Liabilities as per Audited Financial Statements (AFS)

3.) Difference in Income Tax Provision (Restated) and as per Audited Financial Statements (AFS)

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Short Term Provisions as per AFS	80.70	31.00	126.50	13.43	18.85	22.50
Provisions for Exps.	50.17	41.63	46.94	42.80	33.36	48.32
Gratuity Provision (Short Term Portion as per Actuarial Valuation Report)	2.75	4.35	5.42	2.98	4.17	2.60
Diff in IT Provision	(0.42)	(2.45)	(4.21)	0.83	0.74	(4.18)
Short Term Provisions as Restated	133.20	74.54	174.64	60.04	57.11	69.24

**Table 7: Reconciliation of Fixed Assets**

Adjustment of depreciation is on account of depreciation being calculated in restated financial statements based on actual put to use date for the years ended 31st March, 2013 to 31st March, 2017. However the cumulative impact of the same has been adjusted in the audited financial statements for the nine months ended 31st December, 2017.

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Net Block as per AFS	1,409.28	1,402.21	1,348.98	1,179.48	1,205.46	1,066.29
Change in Depreciation	(11.77)	2.16	1.53	(0.48)	2.31	3.58
Change in Depreciation (01.04.2012 Op.)	-	-	-	-	-	2.67
Change in depreciation on assets sold	-	-	-	-	-	-
Impact of Depreciation of Earlier Years	11.77	9.61	8.08	8.56	6.25	-
Net Block as Restated	1,409.28	1,413.98	1,358.59	1,187.57	1,214.02	1,072.54

**Table 8: Reconciliation of Long Term Loans & Advances**

Bank Fixed Deposits with maturity greater than 12 months and secured against bank borrowings restated under cash and cash equivalents instead of long term loans and advances as per Audited Financial Statements

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Long Term L & A as per AFS	11.05	11.09	11.09	15.35	65.74	61.98
Bank FDs	-	-	-	5.14	53.20	49.44
Long Term L & A as Restated	11.05	11.09	11.09	10.20	12.54	12.54

**Table 9: Reconciliation of Other Non Current Assets**

Security Deposits related to business purpose restated under other non-current assets instead of short term loans and advances as per Audited Financial Statements

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Other non-current assets as per AFS	-	-	-	-	-	-
Security Deposit	-	-	-	-	1.06	1.06
Other Non Current Assets as Restated	-	-	-	-	1.06	1.06

**Table 10: Reconciliation of Inventories**

Inventory Valuation Restated after excluding impact of Export Related Expenses and Depreciation on Vehicles & Computers being considered in Audited Financial Statements

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Inventories as per AFS	1,116.04	1,176.85	1,373.97	1,092.82	1,203.24	996.63
Changes in Inventory Valuation	-	(3.50)	(3.79)	(2.27)	(8.58)	(7.22)
Inventories as Restated	1,116.04	1,173.35	1,370.18	1,090.55	1,194.65	989.40

**Table 11: Reconciliation of Cash & Cash Equivalents**

Bank Fixed Deposits with maturity greater than 12 months and secured against bank borrowings restated under cash and cash equivalents instead of long term loans and advances as per Audited Financial Statements

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Cash & Cash Equivalents as per AFS	17.36	2.83	13.79	13.56	11.76	7.04
Bank FDs	-	-	-	5.14	53.20	49.44
Cash & Cash Equivalents as Restated	17.36	2.83	13.79	18.70	64.96	56.47

**Table 12: Reconciliation of Short Term Loans & Advances**

- 1.) Security Deposits related to business purpose restated under other non-current assets instead of short term loans and advances as per Audited Financial Statements
- 2.) Interest Income Receivable, Rent Receivable & TDS Receivable restated under other current assets instead of short term loans and advances as per Audited Financial Statements
- 3.) Anti-Dumping Duty paid under protest / Receivable restated under other current assets instead of short term loans and advances as per Audited Financial Statements
- 4.) Advance payment of expenses restated under other current assets instead of short term loans and advances as per Audited Financial Statements
- 5.) Effect of Foreign Exchange Rate Difference given to Advances to Suppliers in foreign currency and outstanding as at year end

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Short Term Loans & Advances as per AFS	197.87	182.34	366.16	266.47	250.08	177.17
Security Deposit restated as other non-current assets	-	-	-	-	(1.06)	(1.06)
Interest Income, Rent & TDS Receivable	(0.64)	(0.77)	(1.24)	(0.98)	(1.56)	(1.52)
Taxes paid under protest	(35.01)	(35.01)	(35.01)	-	-	-
Advances Payment for Expenses	(2.60)	-	-	-	-	-
Foreign Exchange Rate Difference	-	-	0.79	0.27	(0.34)	-
Short Term Loans & Advances as Restated	159.62	146.55	330.70	265.76	247.11	174.59

**Table 13: Reconciliation of Other Current Assets**

- 1.) Interest Income Receivable, Rent Receivable & TDS Receivable restated under other current assets instead of short term loans and advances as per Audited Financial Statements
- 2.) Anti-Dumping Duty paid under protest / Receivable restated under other current assets instead of short term loans and advances as per Audited Financial Statements
- 3.) Advance payment of expenses restated under other current assets instead of short term loans and advances as per Audited Financial Statements

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Other Current Assets as per AFS	-	-	-	-	-	-
Interest Income, Rent & TDS Receivable	0.64	0.77	1.24	0.98	1.56	1.52
Taxes paid under protest	35.01	35.01	35.01	-	-	-
Advances Payment for Expenses	2.60	-	-	-	-	-
Other Current Assets as Restated	38.25	35.78	36.25	0.98	1.56	1.52

**Table 14: Reconciliation of Other Income**

- 1.) DEPB Licence Income and Duty Drawback Income restated as Other Operating Income instead of Other Income as per Audited Financial Statements
- 2.) Effect of Foreign Exchange Rate Difference to trade payables, advances from customers and advances to suppliers as per point no. 4 of Statement of Material Adjustments
- 3.) Other Income restated excluding Central Excise Duty Amount instated of classifying the same under both Purchases and Other Income as per Audited Financial Statements.
- 4.) Income disclosure at the time of Survey relating to factory building shet restated as Extra-Ordinary Income instead of classifying the same under Other Income as per Audited Financial Statements.

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Other Income as per AFS	50.29	112.71	478.14	401.55	388.89	455.48
DEPB Licence Income and Duty Drawback Income	(10.45)	(38.55)	(123.08)	(50.36)	(70.83)	(115.85)
Foreign Exchange Rate	-	(2.39)	0.63	(1.18)	2.94	-

Difference						
Central Excise Duty Excluded from Other Income	-	-	-	(274.00)	(298.51)	(286.16)
Income Disclosure at the time of Survey related to factory building shed	-	-	(199.13)	-	-	-
Other Income as Restated	39.84	71.77	156.55	76.01	22.49	53.47

**Table 15: Reconciliation of 'Cost of Materials & Stores Consumed**

1.) Purchases restated excluding Central Excise Duty Amount instated of classifying the same under both Purchases and Other Income as per Audited Financial Statements.

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Cost of Materials & Stores Consumed as per AFS	2,625.90	2,548.31	2,649.92	2,404.38	2,654.53	2,735.50
Central Excise Duty Excluded from Purchases	-	-	-	(274.00)	(298.51)	(286.16)
Cost of Materials & Stores Consumed as Restated	2,625.90	2,548.31	2,649.92	2,130.38	2,356.02	2,449.34

Note : Goods in Transit as at year end are considered in Purchases and in Closing Inventory both in Restated Financial Statements.

**Table 16: Reconciliation of Employee Benefit Expense**

1.) The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in FY 17-18 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years on the basis of actuarial valuation.

2.) Gratuity Provision Related to FY 11-12 adjusted in Opening Reserves in Restated Financial Statements

3.) Directors Remuneration restated under Employee Benefit Expenses instead of Other Expenses as per Audited Financial Statements

4.) Contribution to Labour Fund restated under Employee Benefit Expenses instead of Other Expenses as per Audited Financial Statements

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Employee Benefit Exps. as per AFS	298.67	294.52	218.70	222.72	221.53	189.73
Gratuity Provision made in respective years in Restated Financial Statements	(11.82)	1.04	2.16	0.67	4.09	3.87
Gratuity Provision Related to FY 11-12 adjusted in Opening Reserves in Restated Financial Statements	(4.04)	-	-	-	-	-
Directors' Remuneration	141.00	216.00	138.00	138.00	138.00	120.00
Contribution to Labour Fund	-	0.09	-	-	-	-
Employee Benefit Exps. as Restated	423.81	511.65	358.85	361.39	363.62	313.60

**Table 17: Reconciliation of Finance Cost**

1.) Interest on late payment of statutory dues restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)

2.) Forward Contract Charges restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Finance Cost as per AFS	159.84	215.70	228.38	200.43	184.00	193.48
Interest on TDS / Excise	-	0.01	0.25	1.02	2.30	17.16
Forward Contract Charges	-	-	2.41	3.64	20.61	19.09
Finance Cost as Restated	159.84	215.71	231.05	205.09	206.91	229.73

**Table 18: Reconciliation of Other Expenses**



- 1.) Directors Remuneration restated under Employee Benefit Expenses instead of Other Expenses as per Audited Financial Statements
- 2.) Contribution to Labour Fund restated under Employee Benefit Expenses instead of Other Expenses as per Audited Financial Statements
- 3.) Interest on late payment of statutory dues restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)
- 4.) Forward Contract Charges restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Other Expenses as per AFS	469.82	619.55	487.62	533.24	542.38	490.27
Directors' Remuneration	(141.00)	(216.00)	(138.00)	(138.00)	(138.00)	(120.00)
Contribution to Labour Fund	-	(0.09)	-	-	-	-
Interest on TDS / Excise	-	(0.01)	(0.25)	(1.02)	(2.30)	(17.16)
Forward Contract Charges	-	-	(2.41)	(3.64)	(20.61)	(19.09)
Other Expenses as Restated	328.82	403.45	346.96	390.58	381.48	334.02

Note : Export Related Expenses for respective years / period are restated as part of Selling & Distribution Expenses instead of Manufacturing Expenses as per Audited Financial Statements.

#### Table 19: Reconciliation of Reserves & Surplus

- 1.) Opening Reserves as on 1st April 2012 restated as per Point No. 17(II) Above
- 2.) Year Wise Changes on account of Material Adjustments as per Point No. 17 Above

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
Reserves & Surplus as per AFS	440.18	405.93	321.24	410.40	373.65	311.57
Opening Reserves (Restated)	-	-	-	-	-	(0.47)
Material Adjustments Year Wise (Refer Point No. 17)	11.66	(3.99)	(2.73)	4.24	(4.56)	(3.72)
Impact of Material Adjustments of Earlier Years	(11.23)	(7.24)	(4.51)	(8.75)	(4.19)	-
Reserves & Surplus as Restated	440.60	394.70	314.00	405.89	364.90	307.38

**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL**

(Amt. Rs. in Lacs)

Particulars	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Share Capital</b>						
<b>Authorized Share Capital</b>						
Equity shares of Rs.10 each	11,000,000	6,000,000	6,000,000	2,000,000	2,000,000	2,000,000
Share Capital (in Rs.)	1,100.00	600.00	600.00	200.00	200.00	200.00
<b>Issued, Subscribed and Paid up Share Capital</b>						
Equity Shares of Rs. 10 each fully paid up	7,200,000	5,400,000	5,400,000	1,800,000	1,800,000	1,800,000
Share Capital (in Rs.)	720.00	540.00	540.00	180.00	180.00	180.00
<b>Total</b>	<b>720.00</b>	<b>540.00</b>	<b>540.00</b>	<b>180.00</b>	<b>180.00</b>	<b>180.00</b>

**Reconciliation of Number Of Shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Equity Shares</b>						
Shares outstanding at the beginning of the year	5,400,000	5,400,000	1,800,000	1,800,000	1,800,000	1,800,000
Shares Issued during the year	1,800,000	-	3,600,000	-	-	-
Shares bought back during the year	-	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>7,200,000</b>	<b>5,400,000</b>	<b>5,400,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>

**Shares in the company held by each shareholder holding more than 5 percent shares**

Name of Shareholder	31/12/17		31/03/17		31/03/16		31/03/15		31/03/14		31/03/13	
	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	No. Of Shares held	% of Holding
Jayesh Chhablidas Shah	6,239,200	86.66%	4,679,700	86.66%	4,679,700	86.66%	1,360,800	75.60%	1,441,000	80.06%	1,441,000	80.06%
Deepaben Jayeshbhai Shah	480,000	6.67%	360,000	6.67%	360,000	6.67%	120,000	6.67%	120,000	6.67%	120,000	6.67%
Mehul M. Shah	-	-	-	0.00%	-	0.00%	-	-	121,600	6.76%	121,600	6.76%
Jayesh Chhablidas Shah (Huf)	480,400	6.67%	360,300	6.67%	360,300	6.67%	245,100	13.62%	-	0.00%	-	0.00%
	<b>7,199,600</b>		<b>5,400,000</b>		<b>5,400,000</b>		<b>1,725,900</b>		<b>1,682,600</b>		<b>1,682,600</b>	

**Shares issued other than cash, bonus issue and shares bought back**

Particulars	Nine Months Ended	Year (Aggregate No. of Shares)				
	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
<b>Equity Shares :</b>						
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	1,800,000	Nil	3,600,000	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

**1. Issue of Bonus Shares**

The Company issued 36,00,000 Equity Shares as fully paid up Bonus Shares in the ratio of 2:1 by capitalization of Surplus during FY 15-16

The Company issued 18,00,000 Equity Shares as fully paid up Bonus Shares in the ratio of 1:3 by capitalization of Surplus and allotment done on 23rd December, 2017.

**2. Terms / Rights attached to Equity Shares**

The company has only one class of equity shares having a par value of Rs.10 per share which does not enjoy any preferential right or bear any restriction with regard to distribution of dividend or repayment of capital. 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. Rs. in Lacs)

Particulars	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Surplus in Statement of Profit &amp; Loss</b>						
Opening Balance	394.70	314.00	405.89	364.90	307.38	261.85
Add : Profit for the year	225.90	80.70	268.11	40.99	57.52	45.53
Less : Bonus Shares issued during the year	(180.00)	-	(360.00)	-	-	-
<b>Closing Balance (D)</b>	<b>440.60</b>	<b>394.70</b>	<b>314.00</b>	<b>405.89</b>	<b>364.90</b>	<b>307.38</b>

**Notes:**

1. Company does not have any Revaluation Reserve.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
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. Rs. in Lacs)

PARTICULARS	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Long Term Borrowings</b>						
<b>Term Loans and Vehicle Loans</b>						
From Banks & Financial Institutions	87.02	66.85	48.58	112.79	156.27	118.12
<b>Loans and advances from related parties</b>						
From Directors	570.21	540.11	482.20	729.66	663.40	455.90
From Relatives of Directors & Shareholders	37.00	34.96	1.50	1.50	1.50	1.50
From Others	1.50	1.50	1.50	1.50	11.50	11.50
<b>TOTAL</b>	<b>695.72</b>	<b>643.41</b>	<b>533.79</b>	<b>845.45</b>	<b>832.67</b>	<b>587.02</b>
<b>Current portion of long-term borrowings, included under Other Current Liabilities</b>						
	31.55	50.89	86.55	107.60	123.81	104.20
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>727.27</b>	<b>694.30</b>	<b>620.33</b>	<b>953.05</b>	<b>956.48</b>	<b>691.22</b>
<b>The above amount includes:</b>						
Secured Borrowings	118.57	117.74	135.13	220.39	280.08	222.32
Unsecured Borrowings	608.70	576.56	485.20	732.66	676.40	468.90
<b>TOTAL</b>	<b>727.27</b>	<b>694.30</b>	<b>620.33</b>	<b>935.05</b>	<b>956.48</b>	<b>691.22</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans are given in Annexure-CG1
2. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure-CG2
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 – CG1**  
**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(Amt. Rs. In Lacs)

A. Working Capital Facilities & Term Loans from Banks									
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered*	Re-payment	Moratorium	As At		
							31/12/17	31/03/17	
<b>Secured Borrowings</b>									
Bank of India	Working Capital (Cash Credit - Stocks)	1250 Lacs	16-17 and 31-12-17 9.40% 1 Yr MCLR + 0.30% BSS + 3.00% CRP Less 0.50% concession i.e. Effective Rate 12.20% p.a. (as per RBI / FEDAI / Bank's guidelines from time to time).	<b>Primary Security :</b> <b>CC &amp; TL :</b> Hypothecation of Stocks and Book Debts  Hypothecation of all Plant & Machineries (Existing & New)  Pledge of TDRs for LC Margin 15% upon full utilization of limit.	On Demand / Annual Review	NA	892.35	928.42	
Bank of India	Working Capital (Cash Credit - Book Debts)	750 Lacs				NA			
Bank of India	EPC (Sub Limit of CC)	1250 Lacs			On Demand / Annual Review	NA	223.35	236.45	
Bank of India	FBP DP / DA 90 Days	750 Lacs			17.50	50.55			
<b>Maximum of CC (book debts) + Buyer's Credit + FBP</b>			750 Lacs						
<b>Maximum of CC (Stocks) + CC (book debts) + EPC + Buyer's Credit + FBP</b>			1250 Lacs						
Bank of India	Term Loan III (Machinery)	75 Lacs	<b>16-17 and 31-12-17</b> 9.40% 1 Yr MCLR + 0.30% BSS + 3.00% CRP Less 0.50% concession i.e. Effective Rate 12.20% p.a.	<b>Collateral Security:</b> <b>* As Per Note 1</b>  <b>Personal Guarantee:</b> <b>* As Per Note 2</b>	Repayable in 66 months starting from January 2012	6 Months from the date of 1st disbursement	-	3.41	
Bank of India	Term Loan IV	350 Lacs			Repayable in 72 months starting from the date	6 Months from the date	-	16.58	

	(Machinery)				from July 2013	of 1st disbursement		
Bank of India	Term Loan V (Machinery)	130 Lacs			Repayable in 72 months starting from Jan 2017	5 Months from the date of 1st disbursement	98.25	71.09

\* Please see Note 1 and Note 2 for the details of Collateral Security & Personal Guarantee respectively.

**Note 1**

<b>Collateral Security :</b>
<b>Description</b>
EQM of factory land and building (Commercial Premises Area 4451.52 Sq Mtrs & Industrial Premises Area 5159.72 Sq Mtrs) situated at Ser. No. 337/P, Village Lajjai, Taluka Tankara, Dist. Morbi standing in the name of M/s. Sonam Clock Pvt. Ltd. (lease hold)
EQM of Residential Flat situated at 3rd Floor, Flat No. 34, Shanti Niketan, Shakti Plot, Shanala Road, Morbi standing in the name of Ms. Deepaben J Shah (Director & Guarantor)

**Note 2**

<b>Third Party Personal Guarantee of :</b>
1. Mr. Jayeshbhai C. Shah (director)
2. Ms. Deepaben J. Shah (director)

<b>B. Business Loans / Vehicle Loans From Banks &amp; Financial Institutions</b>								
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As at	
							31/12/17	31/03/17
ICICI Vehicle Loan (53130)	Vehicle Loan	2,500,000	10.25%	Hypothecation of Vehicle Financed	60 Monthly Instalments	NA	14.46	18.01
ICICI Bank Ltd. - Vehicle Loan (37020)	Vehicle Loan	1,154,000	10.00%	Hypothecation of Vehicle Financed	36 Monthly Instalments	NA	5.86	8.65

**ANNEXURE - CG2**  
**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

**1. Details Of Unsecured Loans outstanding as at the end of the respective periods from Directors / Shareholders / Relatives Of Directors / Others**

Unsecured Loans from Directors / Shareholders / Relatives Of Directors / Others are taken for business purpose at an interest rate of 9% p.a. Loans are Long Term in Nature.

**Details of Unsecured Loans**

(Amt. Rs. in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>From Directors / Shareholders</b>						
Jayeshbhai C. Shah	345.58	374.28	330.81	623.09	592.85	392.40
Deepaben J. Shah	224.60	165.80	151.37	106.57	70.55	63.50
<b>From Share Holders</b>						
Jayeshbhai C Shah (HUF)	35.50	33.46	-	-	-	-
<b>From Relatives of Directors</b>						
Bipinbhai C. Shah	1.50	1.50	1.50	1.50	1.50	1.50
<b>From Others</b>	1.50	1.50	1.50	1.50	11.50	11.50
<b>TOTAL</b>	<b>608.68</b>	<b>576.54</b>	<b>485.18</b>	<b>732.66</b>	<b>676.40</b>	<b>468.90</b>

**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 "Relatives of Directors" has been determined by the Management and the same is being relied upon by the Auditors.

**ANNEXURE- D**  
**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amt. Rs. in Lacs)

Particulars	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Opening Balance (A)</b>						
Opening Balance of Deferred Tax (Asset) / Liability	112.38	98.59	77.93	72.76	58.62	48.43
<b>Closing Balances (B)</b>						
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	104.55	117.63	103.49	81.84	76.47	61.07
(DTA) / DTL on account of gratuity provision	(4.19)	(5.25)	(4.90)	(3.92)	(3.71)	(2.44)
<b>Closing Balance of Deferred</b>	<b>100.36</b>	<b>112.38</b>	<b>98.59</b>	<b>77.93</b>	<b>72.76</b>	<b>58.62</b>



<b>Tax (Asset) / Liability (B)</b>						
<b>Current Year Provision (B-A)</b>	<b>(12.03)</b>	<b>13.79</b>	<b>20.67</b>	<b>5.16</b>	<b>14.14</b>	<b>10.20</b>

**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-E**  
**STATEMENT OF OTHER LONG-TERM LIABILITIES**

(Amt. Rs. in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade Deposits	-	-	-	-	4.10	4.10
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.10</b>	<b>4.10</b>

**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-F**  
**STATEMENT OF LONG-TERM PROVISIONS**

(Amt. Rs. in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
			Rs.	Rs.	Rs.	Rs.
Provision for Gratuity (unfunded)	12.47	11.51	9.40	9.69	7.83	5.31
<b>TOTAL</b>	<b>12.47</b>	<b>11.51</b>	<b>9.40</b>	<b>9.69</b>	<b>7.83</b>	<b>5.31</b>

**Notes:**

1. The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in statement of profit & loss for the period ended 31st Dec., 2017 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years / periods on the basis of actuarial valuation.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
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-G**  
**STATEMENT OF SHORT TERM BORROWINGS**

(Amt. Rs. in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Short Term Borrowings</b>						
From Banks- Cash Credit	1,133.20	1,215.42	1,239.99	909.23	793.78	786.48
<b>TOTAL</b>	<b>1,133.20</b>	<b>1,215.42</b>	<b>1,239.99</b>	<b>909.23</b>	<b>793.78</b>	<b>786.48</b>
<b>TOTAL SHORT-TERM</b>	<b>1,133.20</b>	<b>1,215.42</b>	<b>1,239.99</b>	<b>909.23</b>	<b>793.78</b>	<b>786.48</b>
<b>The above amount includes:</b>						
Secured Borrowings	1,133.20	1,215.42	1,239.99	909.23	793.78	786.48
Unsecured Borrowings	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,133.20</b>	<b>1,215.42</b>	<b>1,239.99</b>	<b>909.23</b>	<b>793.78</b>	<b>786.48</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans are given in Annexure-CG1
2. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure-CG2
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-H**  
**STATEMENT OF TRADE PAYABLES**

(Amt in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Trade Payables</b>						
For Goods & Expenses - Micro, Small & Medium Enterprises	-	-	-	-	-	-
For Goods & Expenses - Others	477.66	398.32	384.02	205.41	511.85	561.57
<b>TOTAL</b>	<b>477.66</b>	<b>398.32</b>	<b>384.02</b>	<b>205.41</b>	<b>511.85</b>	<b>561.57</b>

**Notes:**

1. In the absence of information regarding outstanding dues of MICRO or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule VI to the Companies Act, 1956.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
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-I**  
**STATEMENT OF OTHER CURRENT LIABILITIES**

(Amt in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Current maturities of long-term borrowings</b>						
From Banks & Financial Institutions	31.55	50.89	86.55	107.60	123.81	104.20
Duties & Taxes / Statutory Liabilities	9.30	17.96	10.45	9.57	7.30	9.26
Advance from customers	20.11	32.57	23.31	39.48	35.81	32.30
Payables on Purchase of Fixed Assets	-	2.21	2.21	2.21	15.57	8.11
<b>TOTAL</b>	<b>60.96</b>	<b>103.63</b>	<b>122.51</b>	<b>158.86</b>	<b>182.48</b>	<b>153.88</b>

**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 SHORT-TERM PROVISIONS**

(Amt. Rs. in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Provisions :</b>						
For Income Tax	80.28	28.55	122.29	14.26	19.59	18.32
Provision for Employee Benefits (Salary & Bonus Payable, PF Contribution & Gratuity Provision)	52.22	45.69	52.06	45.48	36.37	43.80
Provision for Expenses	0.70	0.30	0.30	0.30	1.16	7.12
<b>TOTAL</b>	<b>133.20</b>	<b>74.54</b>	<b>174.64</b>	<b>60.04</b>	<b>57.11</b>	<b>69.24</b>

**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-K**  
**STATEMENT OF FIXED ASSETS**

(Amt. Rs. in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Property, Plant &amp; Equipment (PPE)</b>						
<b>Factory Building</b>	731.70	753.34	782.21	609.16	598.73	444.78
<b>Plant &amp; Machineries</b>						
Machineries	418.31	392.70	319.26	346.04	303.83	306.67
Handling Equipments	9.82	4.62	4.99	5.35	5.79	3.07
DG Set	7.59	8.36	9.39	10.41	11.43	12.10
Dies & Moulds	128.04	123.81	102.86	94.01	76.35	52.20
Water Tanker	0.95	1.03	1.14	1.24	1.35	1.42
Electric Installations	3.77	4.17	4.71	4.83	13.74	12.68
Cooling Tower	1.71	1.84	2.02	2.19	2.37	2.50
<b>Vehicles</b>						
Motor Buses	40.66	48.38	49.74	57.13	67.73	60.83
Motor Cars	25.29	28.49	26.82	2.74	3.56	4.69
Two Wheelers	1.19	1.44	1.79	2.13	2.48	1.41
<b>Office Equipments and Furniture &amp; Fixtures</b>						
Office Equipments	8.29	10.23	14.14	16.79	10.56	5.24
Furniture & Fixtures	29.71	32.84	37.21	34.37	33.62	14.28
EPABX System	0.11	0.11	0.35	0.83	1.43	1.63
Mobiles	1.59	1.94	1.57	-	-	-
<b>Computers &amp; Software's</b>						
Computers	0.54	0.68	0.42	0.33	0.37	1.06
<b>Total Tangible Assets</b>	<b>1,409.28</b>	<b>1,413.98</b>	<b>1,358.59</b>	<b>1,187.57</b>	<b>1,133.38</b>	<b>924.54</b>
<b>Capital Work-in-Progress</b>						
Factory Building	-	-	-	-	14.94	-
Factory Building (Dye)	-	-	-	-	-	139.39
Plant & Machineries	-	-	-	-	58.71	-
Dies	-	-	-	-	6.99	-
Furniture & Fixtures	-	-	-	-	-	8.60
<b>Total Capital Work-in-Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80.64</b>	<b>147.99</b>
<b>Transferred to Retained Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>1,409.28</b>	<b>1,413.98</b>	<b>1,358.59</b>	<b>1,187.57</b>	<b>1,214.02</b>	<b>1,072.54</b>

**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-I**  
**STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amt. Rs. in  
Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Unsecured, Considered Good unless otherwise stated</b>						
Security Deposit	11.05	11.09	11.09	10.20	12.54	12.54
<b>TOTAL</b>	<b>11.05</b>	<b>11.09</b>	<b>11.09</b>	<b>10.20</b>	<b>12.54</b>	<b>12.54</b>

**Notes:**

1. None of the long term loans and advances as stated above are recoverable from Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/ Group company.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
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-M**  
**STATEMENT OF OTHER NON-CURRENT ASSETS**

(Amt. Rs. in  
Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Long-Term Trade Deposits	-	-	-	-	1.06	1.06
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.06</b>	<b>1.06</b>

**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-N**  
**STATEMENT OF INVENTORIES**

(Amt. Rs. in  
Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Closing Inventories of</b>						
Raw Materials (Including Packing Materials)	673.50	773.79	982.02	908.87	848.25	747.38
Semi-Finished Goods	78.11	99.34	137.66	88.49	93.03	75.57

Finished Goods	364.43	290.67	250.51	93.19	253.37	166.45
Goods in Transit	-	9.56	-	-	-	-
<b>TOTAL</b>	<b>1,116.04</b>	<b>1,173.35</b>	<b>1,370.18</b>	<b>1,090.55</b>	<b>1,194.65</b>	<b>989.40</b>

As taken, valued and certified by the management of the company.

**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 TRADE RECEIVABLES**

(Amt. Rs. in  
Lacs)

PARTICULARS	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Outstanding for a period exceeding six months <b>(Unsecured and considered Good)</b>						
From Directors/Relatives of Directors/ Group Company/Entities significantly influenced by Directors	-	-	-	-	-	-
Others	34.83	9.83	8.80	11.99	18.02	9.65
Outstanding for a period not exceeding 6 months <b>(Unsecured and considered Good)</b>						
From Directors/Relatives of Directors/ Group Company/Entities significantly influenced by Directors	121.68	94.11	33.18	-	-	-
Others	866.05	606.38	254.37	266.74	253.57	395.81
<b>TOTAL</b>	<b>1,022.56</b>	<b>710.31</b>	<b>296.34</b>	<b>278.72</b>	<b>271.59</b>	<b>405.47</b>

**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 the same is being relied upon by the Auditors.

**ANNEXURE-P**  
**STATEMENT OF CASH & CASH EQUIVALENTS**

(Amt. Rs. in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a. Cash in Hand	10.88	2.21	13.32	13.24	10.47	6.71
b. Balances with Banks						
- In Current Accounts	0.82	0.62	0.47	0.32	1.29	0.33
- In Earmarked Accounts						
Balances held as margin money or security against borrowings, guarantees and other commitments	5.66	-	-	5.14	53.20	49.44
<b>TOTAL</b>	<b>17.36</b>	<b>2.83</b>	<b>13.79</b>	<b>18.70</b>	<b>64.96</b>	<b>56.47</b>

**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. The details of SBNs held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination-wise SBNs and other notes as per the MCA notification are as under :-

(Amt. Rs. in Lacs)

Particulars	SBNs	Other Denominations Notes	Total
Closing Cash in hand on 8th November, 2016	-	0.86	0.86
Add : Withdrawal from Banks	-	1.46	1.46
Add : Permitted Receipts	-	-	-
Less : Permitted Payments	-	0.46	0.46
Less : Paid for non-permitted transactions	-	-	-
Less : Amount Deposited in Banks	-	-	-
Closing Cash as on 30th December, 2016	-	1.86	1.86

**ANNEXURE-Q**  
**STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt. Rs. in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Unsecured, Considered Good unless otherwise stated</b>						
Prepaid Expenses	7.10	7.78	4.75	5.77	5.46	4.31
Advance Payment Against Taxes	101.52	75.26	178.90	190.30	215.09	166.84
Advance to Suppliers	51.00	63.52	147.04	69.69	26.56	3.44
<b>TOTAL</b>	<b>159.62</b>	<b>146.56</b>	<b>330.70</b>	<b>265.76</b>	<b>247.11</b>	<b>174.59</b>
<b>Of Above, Advances Recoverable From Related Parties</b>						
Directors	-	-	-	12.61	-	-
Entities significantly influenced by Relatives of Directors (Advance to Suppliers)	1.87	-	0.85	-	-	-
	-	-	-	-	-	-

**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
- List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and the same is being relied upon by the Auditors.

**ANNEXURE-R**  
**STATEMENT OF OTHER CURRENT ASSETS**

(Amt. Rs. in Lacs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Receivable on PGVCL Deposit	0.64	0.77	0.83	0.85	1.12	1.07
Other Receivables	37.61	35.01	35.43	0.12	0.45	0.45
<b>TOTAL</b>	<b>38.25</b>	<b>35.78</b>	<b>36.25</b>	<b>0.98</b>	<b>1.56</b>	<b>1.52</b>

**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 REVENUE FROM OPERATIONS****STATEMENT OF REVENUE FROM SALE OF PRODUCTS**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sale of Manufactured & Processed Goods	3,811.58	3,792.85	3,402.71	3,279.30	3,262.03	3,202.15
<b>Net Sale of Manufactured &amp; Processed Goods</b>	<b>3,811.58</b>	<b>3,792.85</b>	<b>3,402.71</b>	<b>3,279.30</b>	<b>3,262.03</b>	<b>3,202.15</b>
Sale of Merchanting & Other Goods	-	-	-	-	-	-
<b>Total</b>	<b>3,811.58</b>	<b>3,792.85</b>	<b>3,402.71</b>	<b>3,279.30</b>	<b>3,262.03</b>	<b>3,202.15</b>

**STATEMENT OF OTHER OPERATING INCOMES**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
DEPB Licence Income	-	15.00	86.16	-	-	21.54
Duty Drawback Income	10.45	23.55	36.92	50.36	70.83	94.31
<b>Total</b>	<b>10.45</b>	<b>38.55</b>	<b>123.08</b>	<b>50.36</b>	<b>70.83</b>	<b>115.85</b>

**STATEMENT OF OTHER INCOME**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Recurring Income:</b>						
Interest Income	0.95	0.86	1.25	2.28	5.03	4.30
Foreign Exchange Rate Fluctuation	38.88	61.49	18.09	73.12	16.98	48.15
Rent Income	-	-	-	0.48	0.48	0.48
Discount / Rate Difference on Purchase / Kasar	-	-	-	0.13	0.00	0.54
<b>Non-Recurring Income:</b>						
Transit Insurance Income	-	4.02	0.61	-	-	-
Keyman Insurance Income	-	2.61	24.61	-	-	-
Profit on Sale of Fixed Assets	-	1.89	-	-	-	-
Other Misc. Income	0.01	0.89	-	-	-	-
<b>Total</b>	<b>39.84</b>	<b>71.77</b>	<b>156.55</b>	<b>76.01</b>	<b>22.49</b>	<b>53.47</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of profit & loss 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-T**  
**STATEMENT OF COST OF RAW MATERIALS & COMPONENTS CONSUMED**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Stock	783.35	982.02	908.87	848.25	747.38	769.24
Add : Purchases (Net)	2,516.05	2,349.64	2,737.07	2,191.00	2,456.90	2,427.48
Less : Closing Stock	673.50	783.35	982.02	908.87	848.25	747.38
<b>Raw Materials &amp; Components Consumed</b>	<b>2,625.90</b>	<b>2,548.31</b>	<b>2,649.92</b>	<b>2,130.38</b>	<b>2,356.02</b>	<b>2,449.34</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of profit & loss 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-U**  
**STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>a. Inventories (at close)</b>						
Finished Goods	364.43	290.67	250.51	93.19	253.37	166.45
Work-In-Progress	78.11	99.34	137.66	88.49	93.03	75.57
Stock-In-Trade	-	-	-	-	-	-
Scrap	-	-	-	-	-	-
<b>Total (a)</b>	<b>442.54</b>	<b>390.01</b>	<b>388.16</b>	<b>181.69</b>	<b>346.40</b>	<b>242.03</b>
<b>b. Inventories (at commencement)</b>						
Finished Goods	290.67	250.51	93.19	253.37	166.45	164.77
Work-In-Progress	99.34	137.66	88.49	93.03	75.57	4.08
Stock-In-Trade	-	-	-	-	-	-
Scrap	-	-	-	-	-	-
<b>Total (b)</b>	<b>390.01</b>	<b>388.16</b>	<b>181.69</b>	<b>346.40</b>	<b>242.03</b>	<b>168.86</b>
<b>Total (b-a)</b>	<b>(52.53)</b>	<b>(1.84)</b>	<b>(206.48)</b>	<b>164.71</b>	<b>(104.37)</b>	<b>(73.17)</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of profit & loss 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-V**  
**STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Salary, Wages and Bonus (including directors' remuneration)	361.95	470.31	334.86	339.76	331.93	289.77
Contribution to Provident Fund, Gratuity Fund Provision & Other Contribution	19.06	22.88	16.17	16.59	21.90	16.01
Staff Welfare Expenses	42.80	18.46	7.82	5.04	9.79	7.82
<b>Total</b>	<b>423.81</b>	<b>511.65</b>	<b>358.85</b>	<b>361.39</b>	<b>363.62</b>	<b>313.60</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of profit & loss 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-W**  
**STATEMENT OF OTHER EXPENSES**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>a. Manufacturing &amp; Operating Cost</b>						
Consumption of Electric, Power and Fuel	73.62	88.46	97.63	84.84	82.42	75.00
Machinery Repairs & Maintenance	18.34	23.38	15.84	14.88	12.22	12.36
Building Repairs & Maintenance	3.51	0.88	0.09	-	4.20	-
Electric Repairs & Maintenance	2.87	2.37	1.94	4.81	6.65	3.77
Rent	3.06	0.12	0.12	0.12	0.12	0.12
Other Manufacturing & Operating Expenses	5.29	23.45	8.64	10.77	23.10	24.72
<b>Total (a)</b>	<b>106.69</b>	<b>138.65</b>	<b>124.25</b>	<b>115.42</b>	<b>128.70</b>	<b>115.97</b>
<b>b. Sales &amp; Distribution Expenses</b>						
Advertisement	2.65	10.80	14.34	15.21	6.03	3.24
Freight, Logistics and other	39.29	58.47	73.52	71.34	96.37	107.59

Export Related Expenses						
Sales Promotion Expenses	83.53	91.89	32.66	57.78	54.37	25.54
Transportation & Loading Expenses	5.36	7.24	21.51	42.27	22.79	21.38
Rates & Taxes	0.77	1.86	0.56	0.15	1.08	1.26
<b>Total (b)</b>	<b>131.61</b>	<b>170.26</b>	<b>142.58</b>	<b>186.74</b>	<b>180.64</b>	<b>159.02</b>
<b>c. General &amp; Administration Expenses</b>						
Rates & Taxes	6.61	3.45	1.84	6.09	0.16	3.93
Conveyance, Tour and Travelling Expenses	7.71	9.30	5.54	3.72	3.45	6.83
Legal & Professional Expenses	9.59	10.35	12.83	4.38	4.94	3.91
Insurance	7.72	17.50	15.10	19.57	17.19	7.02
Loss on Disposal of Fixed Assets	0.02	-	-	12.46	-	1.92
Loss on Transit Goods	-	-	-	-	2.92	-
General Administration Expenses	58.86	53.94	44.82	42.19	43.47	35.42
<b>Total (c)</b>	<b>90.52</b>	<b>94.53</b>	<b>80.13</b>	<b>88.41</b>	<b>72.13</b>	<b>59.03</b>
<b>Total (a+b+c)</b>	<b>328.82</b>	<b>403.45</b>	<b>346.96</b>	<b>390.58</b>	<b>381.48</b>	<b>334.02</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of profit & loss 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-X****STATEMENT OF FINANCE COSTS**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest on Term Loans	49.64	65.13	83.91	84.97	68.11	57.22
Interest on Working Capital Facilities	103.90	144.46	128.65	105.51	111.41	117.15
Other Interest	-	0.01	0.25	1.02	2.30	17.16
Other Financial Charges	6.30	6.10	18.24	13.59	25.09	38.20
<b>Total</b>	<b>159.84</b>	<b>215.71</b>	<b>231.05</b>	<b>205.09</b>	<b>206.91</b>	<b>229.73</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of profit & loss 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-Y**  
**STATEMENT OF CONTINGENT LIABILITIES**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Central Excise Matters under dispute & under adjudication	35.01	35.01	-	-	-	-
(Amount paid under protest Rs. 35.01 Lacs)						
Value Added Tax (VAT) Matters under dispute & under adjudication	130.31	130.31	82.53	82.53	-	-
(Amount paid under protest Rs. Nil)						
Guarantees given by bank on behalf of the company	-	-	-	-	127.13	94.89
Letter of Credits issued by bank	-	-	-	-	-	53.58
Buyers Credit (Non fund facilities sanctioned by bank, utilized & outstanding)	-	-	-	-	127.13	94.89
<b>Total</b>	<b>165.32</b>	<b>165.32</b>	<b>82.53</b>	<b>82.53</b>	<b>254.25</b>	<b>243.16</b>

**Note:**

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-Z**  
**STATEMENT OF RELATED PARTY TRANSACTION**

(Amt. Rs. in Lacs)

a)	Names of the related parties with whom transactions were carried out during the years and description of relationship:	
1	Jayeshbhai C. Shah	- Director
2	Deepaben J. Shah	- Director
3	Bipinbhai C. Shah	- Relative of Director
4	Jayeshbhai C. Shah (HUF)	- HUF of Director / Shareholder
5	Rutvi Enterprise	- Entity owned & significantly influenced by directors
6	Sonam Tradelink LLP	- Entity owned & significantly influenced by relatives of directors

**1. Transactions with Companies / Entities owned / significantly influenced by directors**

(Amt. Rs. in Lacs)

Sr. No	Nature of Transactions	Nine Months Ended	For the Year Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Transaction During the Year</b>						
	<b>Purchases (Incl. Taxes)</b>						
	Rutvi Enterprise	181.54	256.20	240.75	249.16	225.47	203.87

<b>B</b>	<b>Closing Balance Dr/(Cr)</b>						
	<b>Trade Payables</b>						
	Rutvi Enterprise	1.87	(9.79)	0.85	(5.77)	(0.80)	(6.48)

## 2. Transactions with Companies / Entities owned / significantly influenced by relatives of directors

(Amt. Rs. in Lacs)

Sr. No	Nature of Transactions	Nine Months Ended	For the Year Ended				
			31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Transaction During the Year</b>						
	<b>Sales (Net) (Incl. Taxes)</b>						
	Sonam Tradelink LLP	287.23	202.77	52.48	-	-	-
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>						
	<b>Trade Receivables</b>						
	Sonam Tradelink LLP	121.68	94.11	33.18	-	-	-

## 3. Transactions with key management personnel / Share Holders

(Amt. Rs. in Lacs)

Sr. No	Nature of Transactions	Nine Months Ended	For the Year Ended				
			31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Transaction During the Year</b>						
	<b>Loans and Advances received</b>						
	Jayeshbhai C. Shah	141.00	182.00	213.00	364.19	343.35	201.00
	Deepaben J. Shah	61.00	48.00	44.50	60.00	45.25	27.70
	Jayeshbhai C. Shah (HUF)	-	31.00	-	-	-	-
	<b>Loans and Advances repaid</b>						
	Jayeshbhai C. Shah	169.70	138.53	505.28	333.95	143.00	105.60
	Deepaben J. Shah	2.20	33.57	8.46	23.98	38.20	17.40
	Jayeshbhai C. Shah (HUF)	-	-	-	-	-	-
	<b>Directors' Remuneration</b>						
	Jayeshbhai C. Shah	87.00	132.00	84.00	84.00	84.00	84.00
	Deepaben J. Shah	54.00	84.00	54.00	54.00	54.00	36.00
	<b>Interest Paid</b>						
	Jayeshbhai C. Shah	23.34	32.69	50.94	53.36	35.32	26.73
	Deepaben J. Shah	11.83	15.61	9.76	-	-	-
	Jayeshbhai C. Shah (HUF)	2.27	2.73	-	-	-	-
	<b>Rent Paid</b>						
	Jayeshbhai C. Shah	1.53	0.06	0.06	0.06	0.06	0.06

	Deepaben J. Shah	1.53	0.06	0.06	0.06	0.06	0.06
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>						
	<b>For Loan Liability/Advance (including interest, if any)</b>						
	Jayeshbhai C. Shah	(345.58)	(374.28)	(330.81)	(623.09)	(592.085)	(392.40)
	Deepaben J. Shah	(224.60)	(165.80)	(151.37)	(106.57)	(70.55)	(63.50)
	Jayeshbhai C. Shah (HUF)	(35.50)	(33.46)	0	0	0	0
	<b>Interest, Rent &amp; Directors' Remuneration Payable</b>						
	Jayeshbhai C. Shah	(0.87)	(30.23)	(45.84)	(18.46)	(53.93)	(7.34)
	Deepaben J. Shah	(1.18)	(15.19)	(3.55)	(4.04)	(28.93)	(5.58)

#### 4. Transaction with Relative of KMP

Sr. No	Nature of Transactions	Nine Months Ended	For the Year Ended				
			31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Transaction During the Year</b>						
	<b>Loans and Advances received</b>						
	Bipinbhai C. Shah			-	-	-	-
	<b>Loans and Advances repaid</b>						
	Bipinbhai C. Shah			-	-	-	-
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>						
	<b>For Loan Liability/Advance (including interest, if any)</b>						
	Bipinbhai C. Shah	(1.50)	(1.50)	(1.50)	(1.50)	(1.50)	(1.50)

#### ANNEXURE-AA CAPITALISATION STATEMENT

(Amt. Rs. in Lacs)

Particulars	Pre-Issue	Post-Issue *
	As on 31 Dec, 2017	
	Rs.	Rs.
Debt		
Short Term Debt	1,773.47	[●]
Long Term Debt	727.27	[●]
<b>Total Debt</b>	<b>2,500.74</b>	[●]
Shareholders' Fund (Equity)		[●]
Share Capital	720.00	[●]
Reserves & Surplus	440.60	[●]

Less: Miscellaneous Expenses not w/off	-	[•]
<b>Total Shareholders' Fund (Equity)</b>	<b>1,160.60</b>	[•]
Long Term Debt/Equity	<b>0.63</b>	[•]
Total Debt/Equity	<b>2.15</b>	[•]

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

**Notes:**

<b>1.</b> The Company issued <b>18,00,000 Equity Shares as fully paid up Bonus Shares</b> in the ratio of <b>1:3</b> by capitalization of Surplus and allotment done on <b>23rd December, 2017</b> .
<b>2.</b> Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
<b>3.</b> 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
<b>4.</b> The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 31.03.17

**ANNEXURE-AB**  
**MANDATORY ACCOUNTING RATIOS**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
Face Value per equity Share(Rs.)	10	10	10	10	10	10
(i) Earnings/ (losses) Per Share (in Rs.)						
- Restated Basic and Diluted Earnings/ (losses) Per Share [a/b]	3.14	1.12	1.87	0.57	0.80	0.63
(ii) Return on Net Worth (in %) [a/d]	19.46%	8.63%	15.79%	7.00%	10.56%	9.34%
(iii) Net Assets Value per Share (in Rs.)						
- Restated Net Assets Value per Share (in Rs.) [d/c]	21.49	17.31	15.81	32.55	30.27	27.08
- Restated Net Assets Value per Share (Adjusted for Bonus Shares ) (in Rs.) [d/c1]	16.12	12.98	11.86	8.14	7.57	6.77
(a) Net profit available for appropriation <b>After Tax But Before Extra-Ordinary Items-net of taxes) (as restated)</b>	225.90	80.70	134.82	40.99	57.52	45.53
(b) Weighted average numbers of equity shares for calculating Basic and diluted EPS. (Adjusted for Bonus Shares)	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
(c) No. of equity shares outstanding at the end of the year.	5,400,000	5,400,000	5,400,000	1,800,000	1,800,000	1,800,000
(c1) No. of equity shares outstanding at the end of the year. (Adjusted for Bonus Shares)	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
(d) Net Worth as at the end of the period/year (as restated)	1,160.60	934.70	854.00	585.89	544.90	487.38



**Notes:**

1. The above ratios are calculated as under:

$$\text{a) Basic and Diluted Earning per Share} = \frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{b) Return on Net Worth (\%)} = \frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$$

$$\text{c) Net Asset Value Per Equity Share} = \frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$$

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.

5. Basic and Diluted EPS for the period ended 31<sup>st</sup> December, 2017 are not annualized.

6. The Company issued **18,00,000 Equity Shares as fully paid up Bonus Shares** in the ratio of **1:3** by capitalization of Surplus and allotment done on **23rd December, 2017**. Accordingly, the number of equity shares considered for computation of basic and diluted earnings per share for the period ended on December 31, 2017 and year ended as on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013, have been adjusted for the impact of bonus issue.

**ANNEXURE-AC**  
**STATEMENT OF TAX SHELTER**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tax Computation as per normal tax provisions</b>						
<b>Restated Profit before tax</b>	297.96	127.65	210.70	60.79	95.40	75.87
MAT rate including surcharge	20.39%	20.39%	20.39%	19.06%	19.06%	19.06%
Normal Tax rate including surcharge	27.55%	33.06%	33.06%	30.90%	30.90%	30.90%
Normal Tax on above (1)	82.09	42.21	69.66	18.78	29.48	23.44
<b>Adjustments:</b>						
<b>Add: Disallowables / Exempt Incomes</b>						
Interest on TDS / TDS Expenses	0.04	0.07	0.25	1.02	2.30	3.13
Depreciation as per Companies Act	78.09	98.23	91.35	92.72	56.29	42.09
Excise Penalty	-	-	-	-	-	0.02

Excise Interest SCN	-	-	-	-	-	14.03
Loss on Disposal of Fixed Assets	0.02	-	-	12.46	-	1.92
Expenses on which TDS not deducted			0.07	0.29	0.99	-
Late Payment of PF	6.35	-	-	-	10.46	-
Donation debited in books of accounts	12.84	0.35	1.22	1.50	-	-
Gratuity	(0.649)	1.04	2.16	0.67	4.09	3.87
ROC Fees for increase in authorized share capital	5.00	-	5.00	-	-	-
Loss / (Gain) on sale of assets (as restated)	-	-	-	-	-	-
Loss / (Gain) on sale of Investments	-	-	-	-	-	-
<b>Less : Allowables</b>						
Depreciation as per Income Tax Act	(103.284)	(139.093)	(139.514)	(122.556)	(106.143)	(81.641)
Difference between capital gain as per books and capital gain as per IT	-	-	-	-	-	-
Donation allowable as per Income Tax Act	(5.000)	-	0.50	0.75	-	-
Profit on Disposal of Fixed Assets	-	(1.893)	-	-	-	-
Gratuity	-	-	-	-	-	-
<i>Other Adjustments:</i>	-	-	-	-	-	-
Brought Forward Losses adjusted	-	-	-	-	-	-
<b>Total Adjustments</b>	<b>(6.598)</b>	<b>(41.298)</b>	<b>(39.972)</b>	<b>(14.649)</b>	<b>(32.019)</b>	<b>(16.583)</b>
Tax expense/(saving) thereon (2)	(1.818)	(13.654)	(13.216)	(4.527)	(9.894)	(5.124)
<b>Total Tax on Profit Before Extra-Ordinary Items (3=1+2)</b>	<b>80.28</b>	<b>28.55</b>	<b>56.45</b>	<b>14.26</b>	<b>19.59</b>	<b>18.32</b>
<b>Tax Computation on Extra-Ordinary Items</b>						
Extra-Ordinary Items	-	-	199.13	-	-	-
Tax on Extra Ordinary Items (4)	-	-	65.84	-	-	-
<b>Tax Payable as per Normal Provisions (A)</b>	<b>80.28</b>	<b>28.55</b>	<b>122.29</b>	<b>14.26</b>	<b>19.59</b>	<b>18.32</b>
<b>Tax Computation as per MAT provisions</b>						
<b>Restated Book Profit before tax &amp; after Extra-Ordinary Items</b>	<b>297.96</b>	<b>127.65</b>	<b>409.83</b>	<b>60.79</b>	<b>95.40</b>	<b>75.87</b>
MAT Tax on Above	60.75	26.03	83.56	11.58	18.18	14.46

<b>Add / (Less):</b>						
Interest on TDS / TDS Expenses	0.04	0.07	0.25	1.02	2.30	3.13
<b>Total Adjustments</b>	0.04	0.07	0.25	1.02	2.30	3.13
Tax expense/(saving) thereon	0.01	0.01	0.05	0.19	0.44	0.60
<b>Tax Payable as per MAT Provisions (B)</b>	<b>60.76</b>	<b>26.04</b>	<b>83.61</b>	<b>11.78</b>	<b>18.62</b>	<b>15.05</b>
<b>Gross Tax Payable (w.e.i. higher)</b>	<b>80.28</b>	<b>28.55</b>	<b>122.29</b>	<b>14.26</b>	<b>19.59</b>	<b>18.32</b>

**ANNEXURE-AD**  
**STATEMENT OF DIVIDEND DECLARED**

(Amt. Rs. in Lacs)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Class of Shares</b>						
Equity Share of Rs. 10 each	10	10	10	10	10	10
<b>Rate of Dividend (%)</b>						
Interim Dividend	Nil	Nil	Nil	Nil	Nil	Nil
Final Dividend	Nil	Nil	Nil	Nil	Nil	Nil

## STATEMENT OF FINANCIAL INDEBTEDNESS

To,  
The Board of Directors,  
SONAM CLOCK LTD.  
Survey No. 337/p, Morbi Rajkot Highway,  
Tal. Tankara, Dist. Morbi,  
Gujarat, India - 363641

Dear Sirs,

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of Sonam Clock Limited and further explanations and information provided by the management of this Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 28th February, 2018 are mentioned below:

## A. Secured Borrowings

(Amount Rs. in Lacs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered *	Re-payment	Moratorium	Outstanding amount
<b>From Banks</b>							
Bank of India	Working Capital (Cash Credit - Stocks)	1250.00	9.40% 1 Yr MCLR + 0.30% BSS + 3.00% CRP Less 0.50% concession i.e. Effective Rate 12.20% p.a. with monthly rests. (As per RBI / FEDAI / Bank's guidelines from time to time).	<b>Primary Security:</b> CC & TL: Hypothecation of Stocks and Book Debts Hypothecation of all Plant & Machineries (Existing and New) Pledge of TDRs for LC Margin 15% upon full utilization of limit.  <b>Collateral Security:</b> * As Per Note 1  <b>Personal Guarantee:</b> * As Per Note 2	On Demand / Annual Review	NA	899.81
	Working Capital (Cash Credit - Book Debts upto 120 days)	750.00					300.00
	EPC (Sub Limit of CC)	1250.00					Nil
	FBP DP / DA 90 Days	750.00					46.50
	LC DA-90 Days / Buyer's Credit (180 days)	750.00					
<b>Maximum of CC (book debts) + FBP DP / DA+ LC DA / Buyer's Credit</b>		<b>750.00</b>					
<b>Maximum of CC (Stocks) + CC (book debts) + EPC + FBP DP / DA+ LC DA / Buyer's Credit</b>		<b>1250.00</b>					
Bank of India	Term Loan 5 (Machinery)	130.00	9.40% 1 Yr MCLR + 0.30% BSS + 3.00% CRP Less 0.50% concession i.e. Effective Rate 12.20% p.a. with monthly rests.	As Above	Repayable in 72 months starting from Jan 2017	5 Months from the date of 1st disbursement	94.64
<b>Total</b>							<b>1340.95</b>

\* Please see Note 1 and Note 2 for the details of Collateral Security & Personal Guarantee respectively.

## Note 1. Collateral Security

Description
EQM of leasehold factory land and building (Commercial Premises Area 4451.52 SqMtrs& Industrial Premises Area

5159.72 SqMtrs) situated at Ser. No. 337/P, Village Lajjai, Taluka Tankara, District Morbi in the name of M/s. Sonam Clock Pvt. Ltd.

EQM of Residential Flat (Construction Area 131.77 Sq. Ft.) situated at 3rd Floor, Flat No. 34, Shanti Niketan, Shakti Plot, Shanala Road, Morbi standing in the name of Ms. Deepaben J Shah (Director & Guarantor).

**Note 2.****Personal Guarantee of Directors**

1. Mr. Jayeshbhai C. Shah
2. Ms. Deepaben J. Shah

**B. Business Loans / Vehicle Loans From Banks & Financial Institutions**

(Amount Rs. in Lacs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
ICICI Bank Ltd.	Vehicle Loan (53130)	25.00	10.01%	Hypothecation of Vehicle financed	60 Monthly Installments	NA	13.64
ICICI Bank Ltd.	Vehicle Loan (37020)	11.54	9.60%	Hypothecation of Vehicle financed	36 Monthly Installments	NA	5.21
<b>Total</b>							18.85

**C. Unsecured Loans****a. From Promoter / Promoter Director**

(Amount Rs. in Lacs)

Name of Lender	Purpose	Rate of interest	Re-payment	Outstanding amount
Mr. Jayeshbhai C. Shah	Business Loan	9.00% p.a.	On demand	39.63
Ms. Deepaben J. Shah	Business Loan	9.00% p.a.	On demand	161.63
<b>Total</b>				201.26

**b. From Banks & Financial Institutions**

(Amount Rs. in Lacs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Re-payment	Moratorium	Outstanding amount
Edelweiss Retail Finance Limited	Business Loan	45.07	16.50% p.a.	25 Monthly Installments (EMI) (Including 1 Month PRE EMI)	1 Month	45.07
HDFC Bank Ltd.	Business Loan	50.00	15.25% p.a.	12 Monthly Installments (EMI)	Nil	50.00
Kotak Mahindra Bank Ltd.	Business Loan	100.00	14.40% p.a.	24 Monthly Installments	Nil	96.38
Magma Fincorp Limited	Business Loan	50.00	15.50% p.a.	24 Monthly Installments	Nil	50.00
TATA Capital Finance Ltd.	Business Loan	60.00	15.50% p.a.	24 Monthly Installments	Nil	60.00
<b>Total</b>						<b>301.45</b>

## Major Negative Covenants

### Bank of India

1. All fund based and non-fund based facilities to be guaranteed by Shri Jayeshbhai C. Shah and Smt. Deepaben J. Shah and the company shall not pay any guarantee commission to the guarantors.
2. The liabilities or obligations under the facilities shall not, at any time, rank postponed in point and security to any other obligation or liabilities to other lending institutions or banks or creditors, unless expressly agreed or permitted by Bank / Consortium
3. Not to create or permit to subsist any mortgage, charge (whether floating or specific), pledge, lien or other security interest on any of the borrower's undertakings, properties or assets, without prior consent of the Bank / Consortium in writing.
4. Company shall keep the Bank informed of all the changes viz. financially or otherwise which may affect Company's working, business or capacity to repay the aforesaid facilities sanctioned by the Bank and to ability to service interest, charges, cost, etc. immediately, like any adverse changes in the capital structure of the company, formulate any scheme of amalgamation or merger or reconstruction, enter into any borrowing or non-borrowing arrangements with any other bank of financial institutions, undertake any guarantee obligations on behalf of any other company/firm/person, to declare dividend for any year out of the profits relating to that year only after meeting all the financial commitments to the bank.
5. Not to sell or dispose off or create security or encumbrances on the assets charged to the bank in favor of any other bank, financial institution, company, firm or individual.
6. Shall not repay monies brought in by the promoters, partners, directors, shareholders, their relatives and friends in the business of the company by way of deposits / loans / share application money etc.
7. The company to furnish stamped undertaking that the interest on unsecured loans / deposits raised will be paid only if there is sufficient surplus of profit and ROI will not be more than that rate charged by the Bank.
8. The company to furnish stamped undertaking to the effect that the unsecured loans from directors / family will not be withdrawn during the currency of the Bank's advance. Further, the company / directors to maintain unsecured loans at level of Rs. 529.20 Lacs and to furnish CA certificate and stamped undertaking in this regard before release of the limit. The company also to maintain unsecured loans at estimated / stipulated level during the currency of advance.
9. The Company to furnish stamped undertaking to that effect that the company will not avail outside borrowing from Other Banks or Private Financial Institutes without bank's prior written permission.
10. The Bank reserves its right to appoint its nominee on Company's Board of Directors – part time / full time to oversee the functioning of the Company / to look after the bank's interest.
11. The company to take prior approval from bank for opening any account with any other bank / other branch of Bank of India.
12. The credit facilities shall be utilized only for the purposes for which same are granted and the said facilities shall not be 'diverted' or 'siphoned off' or used for any other purposes.
13. Not to make any alterations in the constitution of the company, controlling ownership or any document relating to its constitution or any other material change in the management or in the nature of company's business or operations during the period of the subsistence of facilities, except after prior written permission from the Bank.
14. The bank shall have the right to sell, transfer, assign or securitize the Loan / Advance sanctioned and disbursed to the Company.

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 '**Sonam Clock Limited, Morbi**', on the basis of necessary information / explanation / documentation / clarification / certification, produced for our verification.

**For, D.V.Bakrania & Associates,  
Chartered Accountants  
Firm Reg.No:127116W**

Sd/-

**(CA.Dipak V. Bakrania)  
Proprietor  
Membership No: 048331  
Place: Morbi  
Date: 05.03.2018**

## 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 titled “**Risk Factors**” beginning on page 14 and “**Forward Looking Statements**” beginning on page 13 of this Draft Prospectus, 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, 2017, 2016, 2015, 2014 and 2013, and period ended December 31, 2017 including the schedules and notes thereto and the reports thereto, which appear in the section titled “**Financial Information of the Company**” on page 136 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

Incorporated in 2001, we are a clock manufacturing Company situated in Morbi, Gujarat. We offer a wide range of table and wall clocks at various price points across budget, mid-level and premium styles. As on February’18, we are offering clocks from a price range of ₹100 to ₹1800 which includes LED digital clocks, LCD clocks, light sensor clocks, pendulum clocks, musical clocks, rotating pendulum musical clocks, sweep clocks, office clocks, designer clocks, alarm clocks, table clocks and regular clocks. We also offer customized corporate clocks in bulk quantities for corporate gifting purpose.

Our products are sold mainly to clock dealers, retailers, corporates, gifts and novelties stores, through which it reaches to end consumers. Our products are sold under the brand name of Sonam, ampm and Lotus. In F.Y. 2016-17, our net revenue from operations comprised of Rs. 3792.85 lakhs of which approximately 40% comprised of export sales to Middle - East countries such as Dubai and Iraq. Our Manufacturing facility is located in Morbi, Gujarat and has present installed production capacity of approximately 72 lakhs p.a. for clocks and 240 lakhs p.a. for clock movements. A Clock movement, also known as caliber, is an internal mechanical part of the clock, which drives hour, minute and second hands of clock in motion. We are also engaged in sale of clock parts which includes clock movements, clock cases etc.

We are ISO 9001:2008 accredited Company and we have grown many folds during the past decade under the leadership and guidance of our Promoter, Chairman and Managing Director, Mr. Jayeshbhai Chhabildas Shah, who has an experience of over 30 years in the field of clock industry. His expertise and experience has been instrumental in the growth of our business.

As per restated financial statements for the period ended on December 31, 2017 and fiscal year ended on March 31, 2017, March 31, 2016 and March 31, 2015, the total revenue of our Company stood at Rs. 3861.88 lakhs, Rs. 3903.16 lakhs, Rs. 3682.35 lakhs and Rs. 3405.67 lakhs respectively. Further, our PAT for the period ended on December 31, 2017 and fiscal year ended on March 31, 2017, March 31, 2016 and March 31, 2015 stood at Rs. 225.90 lakhs, Rs.80.70 lakhs, Rs. 268.11 lakhs and Rs. 40.99 lakhs respectively.

### OUR PRODUCTS

The clocks manufactured by us are marketed and sold under our brand names of “Sonam”, “Lotus” and “ampm”. Our range of clocks can be broadly classified into following categories:-

S. No.	Category	Specifications
1	Rotating Pendulum Musical Clock	<ul style="list-style-type: none"> <li>- Price range Rs. 740 to 1440</li> <li>- Melodious Tunes</li> <li>- 360° Rotating Pendulum</li> <li>- Standard Size: 490 x 285 mm</li> </ul>
2	Pendulum Musical Clock	<ul style="list-style-type: none"> <li>- Price range Rs. 695 to 1035</li> <li>- Melodious Tunes</li> <li>- Swinging Pendulum</li> </ul>

		- Standard Size: 500 x 290 mm
3	Rotating Musical Clock	- Price range Rs. 740 to 855 - Melodious Tunes - Standard Size: 430 x 290 mm
4	Pendulum Clock	- Price range Rs. 340 to 585 - Swinging Pendulum - Standard Size: 375 x 310 mm
5	Musical Clock	- Price range Rs. 495 to 565 - Melodious Tunes - Standard Size: 338 x 298 mm
6	Divine Clock (with/ without tune)	- Price range Rs. 450 to 495 - Standard Size: 340 x 268 mm
7	Light Sensor Clock	- Price range Rs. 675 - Standard Size: 360 x 360 mm
8	LCD Clock	- Price range Rs. 945 to 1440 - Standard Size: 445 x 445 mm
9	LED Digital Clock	- Price range Rs. 855 to 1980 - Standard Size: 295 x 395 mm
10	Table Clock	- Price Rs. 540 - Standard Size: 280 x 220 mm
11	Sweep Clock	- Price range Rs. 270 to 1260 - Standard Size: 510 x 510 mm
12	Sweep Office Clock	- Price range Rs. 360 to 1665 - Standard Size: 610 x 610 mm
13	Office Clock	- Price range Rs. 315 to Rs. 1080 - Standard Size: 400 x 400 mm
14	Night Glow Clock	- Price range Rs. 360 to 450 - Standard Size: 320 x 317 mm
15	Designer Clocks	- Price range Rs. 290 to 810 - Standard Size: 515 x 330 mm
16	Classy Dial Clock	- Price range Rs. 125 to 360 - Standard Size: 275 x 275 mm
17	Regular Clock	- Price range Rs. 205 to 765 - Standard Size: 355 x 355 mm
18	Diamond Series Clock	- Price range Rs. 250 to 270 - Standard Size:- 290 x 290 mm
19	Picture Dial Clock	- Price range Rs. 180 to 360 - Standard Size: 320 x 320 mm
20	Economy Clock	- Price range Rs. 135 to 210



		- Standard Size: 260 x 260 mm
21	Alarm Timepiece	- Price range Rs. 105 to 425 - Standard Size: 95 x 127 mm
22	Corporate Clock	- Price as per order requirement of Customer. - Standard Size: 413 x 413 mm

## OUR LOCATION

<b>Registered Office &amp; Factory</b>	Survey No. 337/p, Morbi Rajkot Highway, Village Lajai, Taluka Tankara, District Morbi - Gujarat - 363641, India
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## OUR COMPETITIVE STRENGTHS

### 1. *Strategic location of manufacturing unit*

Our manufacturing facility is located in Morbi, Gujarat which is considered as manufacturing hub of clocks and ceramic industries in India. Being strategically located in Morbi, we get easy access to skilled labors having experience in clock industry as well as local raw material supplies. Morbi is connected to National Highway (NH – 8A), which connects Morbi and various major cities of Gujarat State. Further, the distance between Morbi and Mundra port is 200 kms, which facilitates ease in import and export. Also, Morbi is well connected with roadways. Due to aforesaid reasons, we believe that the location of our manufacturing unit brings cost efficiencies in procurement of manpower and local raw material and also reduce logistic cost which helps us to achieve economies of scale.

### 2. *Facility for in-house production of clock movements*

We have in house Manufacturing facility for production of clock movement, which is an integral part of the Clock. A Clock movement, also known as caliber, is an internal mechanical part of the clock, which drives hour, minute and second hands of clock in motion. The in house production of clock movement enables us to achieve an edge over our competitors which rely on outside parties for supply of clock movements. The in-house manufacturing facility for clock movement enables us to maintain high quality production standards and also helps us in minimizing production time and bringing cost effectiveness.

### 3. *Wide range of clock styles*

Our Company offers a diverse range of clocks which varies in styles as well as price range. Such diverse product mix helps us in catering to diverse customer segments including corporate sector. We believe that with our diverse product mix, we have transformed the clock from a mere timepiece to a piece of art. Our range of products allows our existing customers to source most of their product requirements under one roof and also enables us to expand our business from existing customers as well as address a larger base of potential new customers.

### 4. *Certifications and compliance with Quality Standards*

Our Company has received ISO Certifications from Dubai Accreditation Center (DAC), member of Multilateral Recognition Arrangements (IAF) certifying that our Quality Control System was found to be in accordance with the requirements of ISO 9001:2008 for design, manufacture and supply of quartz clocks, time pieces, gift articles (clocks) and digital clocks to National and International Markets. We believe that such certification would allow us to market our products and it also provides assurance to our domestic as well as overseas customers for the quality of our products.

### 5. *Experienced Promoters and skilled workforce*

The business of our Company is backed and driven with the strengths, expertise and ability of our Promoters. Both the Promoters, Mr. Jayeshbhai Chhabildas Shah and Mrs. Deepaben Jayeshbhai Shah have mentored the management of our Company since its incorporation. Our Promoters have played an important role in the growth of our Company. Mr. Jayeshbhai Chhabildas Shah, our Chairman & Managing Director has started the business as first generation entrepreneur by way of marketing of clocks in Mumbai for nearly 10 years before shifting their business to Morbi in 1995-96. After gaining extensive experience in clock industry, they incorporated Sonam Clock Private Limited in 2001 with an objective to venture into clock manufacturing business. We believe that his extensive experience of over 30 years in clock industry has benefitted our Company to grow into multifold during the last 20 years. Further, the support of our management team has helped us to leverage our existing business skills, relationships with our customers and market visibility to further enhance our existing strength in the clock industry and to expand our product offerings and geographic presence, both within India and abroad.

#### **6. Strong & long-term relationship with our clients**

We maintain long terms relationships with our key customers by strategically aligning our offerings with their business needs. Our long standing partnerships with our customers are also built on our successful execution of prior engagements. We believe our track record of timely delivery of quality products and demonstrated technical expertise has helped in forging strong relationships with our customers.

### **OUR BUSINESS STRATEGIES**

#### **1. Improving operational efficiency and product quality**

Our Company intends to improve efficiencies to achieve cost reductions so as to gain competitive edge over the peers. We believe that this can be done through economies of scale, continuous process improvement, and customer service and technology development. Also, quality products and service of global standards are of utmost importance for customer retention.

#### **2. Focus on consistently meeting quality standards**

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous project review and timely corrective measures in case of diversion and technology upgradation are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing our brand value and maintaining long term relationships with customers.

#### **3. To build-up a professional organization**

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

#### **4. Develop cordial relationship with our Suppliers, Customer and employees**

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over a number of years. We bag and place repetitive order with our customers as well as with our suppliers. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

### **CAPACITY UTILISATION**

Particulars	Existing				Proposed			
	2014-15	2015-16	2016-17	2017-18 (Apr-Dec)*	2017-18 (Jan-Mar.)	2018-19	2019-20	2020-21
<b>Clock</b>								
Total Installed Capacity (in No.)	60,00,000	72,00,000	72,00,000	54,00,000	18,00,000	72,00,000	72,00,000	72,00,000

Actual/Proposed Production (in No.)	26,10,031	30,33,244	29,35,508	26,73,108	9,00,000	3,708,000.00	3,816,000.00	3,960,000.00
Capacity Utilization (in%)	43.50%	42.13%	40.77%	49.50%	50.00%	51.50%	53.00%	55.00%
<b>Clock Movements</b>								
Total Installed Capacity (in No.)	1,20,00,000	1,20,00,000	2,40,00,000	1,80,00,000	60,00,000	2,40,00,000	2,40,00,000	2,40,00,000
Actual/Proposed Production (in No.)	9,95,000	35,51,000	45,38,500	51,34,200	17,40,000	7,200,000	7,440,000	7,680,000
Capacity Utilization (in%)	8.29%	29.59%	18.91%	28.52%	29.00%	30.00%	31.00%	32.00%

\*Based on 9 months

### **SALES AND MARKETING:-**

The efficiency of the marketing and sales network is critical success factor of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our marketing team along with our promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. As part of our marketing efforts, we time to time publish our advertisement in Clock and Watch Magazine such as Trade Post. Our prime consideration for customer selection is timely payments and consistency in purchases.

### **COMPETITION:-**

Our Industry is fragmented consisting of large established players and small niche players. Our Company is well placed, well informed and well trained to assist clients in overall delivery. We have a number of competitors offering products and services similar to us. We believe the principal elements of competition in our industry are price, durability and overall product quality, timely delivery and reliability and most importantly our pace in keeping up with the required regulations and changing technology in the industry. We believe that our cost effective and integrated facilities, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products. While these factors are key parameters the in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our Major Competitors are:-

1. Ajanta India Limited
2. Oreva Group
3. Solar Quartz
4. Opal Luxury Time Products Limited
5. Rickon Clocks Manufacturing Co.
6. Scientific Clock Manufacturing Co.

### **SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST BALANCE SHEET DATE:-**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last Balance Sheet dated December 31, 2017 as 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, which has occurred after the Balance Sheet date:-

1. Conversion of the Company from Private Limited to Public Limited vide a certificate of incorporation dated February 07, 2018.

2. We have appointed Mr. Jayeshbhai Chhabildas Shah as Chairman and Managing Director and Mrs. Deepaben Jayeshbhai Shah as Whole Time Director of the Company with effect from January 29, 2018.
3. We have passed a Board resolution in the meeting dated February 21, 2018 authorizing the Board of Directors to raise funds by making an Initial Public Offering up to Rs. 13 crores.
4. We have appointed Mr. Amitbhai Jamnadas Vaghajiyani as Chief Financial Officer of the Company with effect from February 21, 2018.
5. We have passed a Board resolution in the meeting dated February 21, 2018 for revision in the remuneration of Managing Director and Whole time Director of the Company.
6. We have passed a special resolution in shareholders meeting dated February 26, 2018 authorizing the Board of Directors to raise funds by making an Initial Public Offering up to Rs. 13 crores.
7. We have passed a special resolution in shareholders meeting dated February 26, 2018 for revision in the remuneration of Managing Director and Whole time Director of the Company.
8. We have appointed Ms. Rutvi Jayeshbhai Shah as Non Executive Director of the Company with effect from February 26, 2018.
9. We have appointed Mr. Jigar Dipakbhai Mehta as Independent Director of the Company with effect from February 26, 2018.
10. Alterations in the Article of Association of the company vide special resolution dated February 26, 2018.
11. Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated February 28, 2018, 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”).
12. Our Company has formed the Stakeholders Relationship Committee vide Board Resolution dated February 28, 2018.
13. Our Company has formed the Nomination and Remuneration Committee vide Board Resolution dated February 28, 2018.

**FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-**

Our results of operations could potentially be affected by the following factors amongst others:

1. Disruption in our manufacturing operations.
2. Company’s ability to successfully implement its growth strategy and expansion plans, and to successfully launch new Products;
3. Our inability to effectively diversify our portfolio of products ;
4. The business or financial condition of our customers or the economy generally, or any developments in the Clock manufacturing sector in macro- economic factors, which may affect the rate of growth and the demand for our products;
5. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
6. Inability to successfully obtain registrations in a timely manner or at all;
7. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Changes in laws and regulations relating to the industries in which we operate;
10. Effect of lack of infrastructure facilities on our business;
11. Increase in prices of Raw Materials;
12. Occurrence of Environmental Problems & Uninsured Losses;
13. Intensified competition in industries/sector in which we operate;
14. Our ability to successfully implement our growth strategy and expansion plans;
15. Our ability to attract, retain and manage qualified personnel;

16. Failure to adapt to the changing technology in our clock industry of operation may adversely affect our business and financial condition;
17. 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;
18. Conflicts of interest with affiliated companies, the promoter group and other related parties;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters.

**Our Significant Accounting Policies:**

Our significant accounting policies are described in the section titled “*Financial Information of the Company*” on page 136 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 136 of this Draft Prospectus, 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 statement for the period ended December 31, 2017 and financial Year ended on March 31, 2017, 2016, 2015, 2014 & 2013 and the components of which are also expressed as a percentage of total income for such periods.

(Amount in Lacs)

Particulars	31.12.2017	% of Total Income	31.03.2017	% of Total Income	31.03.2016	% of Total Income	31.03.2015	% of Total Income	31.03.2014	% of Total Income	31.03.2013	% of Total Income
- Revenue From Sale of Products (Net)	3,811.58	98.70	3,792.85	97.17	3,402.71	92.41	3,279.30	96.29	3,262.03	97.22	3,202.15	94.98
Other Operating Income	10.45	0.27	38.55	0.99	123.08	3.34	50.36	1.48	70.83	2.11	115.85	3.44
<b>Net Revenue from operations</b>	<b>3,822.03</b>	<b>98.97</b>	<b>3,831.40</b>	<b>98.16</b>	<b>3,525.80</b>	<b>95.75</b>	<b>3,329.66</b>	<b>97.77</b>	<b>3,332.85</b>	<b>99.33</b>	<b>3,318.00</b>	<b>98.41</b>
Other income	39.84	1.03	71.77	1.84	156.55	4.25	76.01	2.23	22.49	0.67	53.47	1.59
<b>Total Revenue</b>	<b>3,861.88</b>	<b>100.00</b>	<b>3,903.16</b>	<b>100.00</b>	<b>3,682.35</b>	<b>100.00</b>	<b>3,405.67</b>	<b>100.00</b>	<b>3,355.35</b>	<b>100.00</b>	<b>3,371.47</b>	<b>100.00</b>
<b>Expenses:</b>												
Cost of materials consumed	2,625.90	68.00	2,548.31	65.29	2,649.92	71.96	2,130.38	62.55	2,356.02	70.22	2,449.34	72.65
Purchase of Stock-in-Trade	-	-	-	-	-	-	-	-	-	-	-	-
Change in Inventories of Finished Goods, Stock In-Process and Stock-in-Trade	(52.53)	(1.36)	(1.84)	(0.05)	(206.48)	(5.61)	164.71	4.84	(104.37)	(3.11)	(73.17)	(2.17)
Employee Benefit Expenses	423.81	10.97	511.65	13.11	358.85	9.75	361.39	10.61	363.62	10.84	313.60	9.30
Finance Costs	159.84	4.14	215.71	5.53	231.05	6.27	205.09	6.02	206.91	6.17	229.73	6.81
Depreciation and Amortisation Expense	78.09	2.02	98.23	2.52	91.35	2.48	92.72	2.72	56.29	1.68	42.09	1.25
Other Expenses	328.82	8.51	403.45	10.34	346.96	9.42	390.58	11.47	381.48	11.37	334.02	9.91
<b>Total Expenses</b>	<b>3,563.92</b>	<b>92.28</b>	<b>3,775.51</b>	<b>96.73</b>	<b>3,471.65</b>	<b>94.28</b>	<b>3,344.88</b>	<b>98.22</b>	<b>3,259.95</b>	<b>97.16</b>	<b>3,295.60</b>	<b>97.75</b>
<b>Net Profit Before Tax &amp; Extraordinary Items</b>	<b>297.96</b>	<b>7.72</b>	<b>127.65</b>	<b>3.27</b>	<b>210.70</b>	<b>5.72</b>	<b>60.79</b>	<b>1.78</b>	<b>95.40</b>	<b>2.84</b>	<b>75.87</b>	<b>2.25</b>
Tax Expenses												
- Current Tax	80.28	2.08	28.55	0.73	56.45	1.53	14.26	0.42	19.59	0.58	18.32	0.54
- Tax adjustment of prior years	3.80	0.10	4.61	0.12	(1.23)	(0.03)	0.38	0.01	4.15	0.12	1.82	0.05
- Deferred Tax Liability / (Asset)	(12.03)	(0.31)	13.79	0.35	20.67	0.56	5.16	0.15	14.14	0.42	10.20	0.30
<b>Total Tax Expenses For The Year</b>	<b>72.05</b>	<b>1.87</b>	<b>46.95</b>	<b>1.20</b>	<b>75.88</b>	<b>2.06</b>	<b>19.80</b>	<b>0.58</b>	<b>37.88</b>	<b>1.13</b>	<b>30.34</b>	<b>0.90</b>
Extraordinary Items (Net of Tax)	-	-	-	-	133.29	3.62	-	-	-	-	-	-
<b>Restated profit for the year after tax from total operations</b>	<b>225.90</b>	<b>5.85</b>	<b>80.70</b>	<b>2.07</b>	<b>268.11</b>	<b>7.28</b>	<b>40.99</b>	<b>1.20</b>	<b>57.52</b>	<b>1.70</b>	<b>45.53</b>	<b>1.35</b>

## Key Components of Company's Profit And Loss Statement

**Revenue from Sale of Product:** Revenue from operations mainly consists of revenue from manufactured goods, traded goods, sale of clocks, movements, watches & others in and outside India.

**Other Income:** Other income primarily comprises of foreign exchange fluctuation, discounts, interest from deposits, rent income etc.

**Expenses:** Company's expenses consist of cost of material consumed, employee benefits expense, administration & Other Expenses, finance costs, depreciation and amortization expenses.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages, contribution to Provident Fund, Bonus to employees, Director's remuneration, Staff Welfare Expenses and Provision for Gratuity.

**Finance Costs:** Finance cost comprises of interest on loans.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on WDV basis on the useful lives of respective assets as estimated by the Management and/or based on the usefulness prescribed in Schedule II of the Companies Act, 2013.

**Other Expenses:** Other expenses include expenditure incurred on manufacturing activities such as electric charges, fuel charges, production expenditures, repairs & maintenance etc., Selling & Administrative Expenses includes advertisement expenses, export related expenses, transportation and loading expenses, rates & taxes, conveyance, travelling, insurance and general administration expenses etc.

## Financial Performance Highlights for the stub period ended 31<sup>st</sup> December, 2017

**Total Income:** The Company's total income during the period ended December 31, 2017 was ₹ 3,861.88 lakhs. The revenue from Operations was ₹ 3,811.58 Lakhs which comprised 98.70% of company's total income for the stub period ended December 31, 2017.

**Total Expenses:** The total expenditure during the stub period ended December 31, 2017 was ₹ 3,563.92 Lakhs. The total expenditure represents 92.28 % of the total revenue. The total expenses are represented by cost of material consumed, employee benefits expense, administration & Other Expenses, finance costs, depreciation and amortization expenses. The main constituent of total expenditure is Cost of material consumed, which is ₹ 2,625.90 Lakhs.

**Profit/ (Loss) after tax:** The restated net profit during the stub period ended December 31, 2017 was ₹ 225.90 Lakhs representing 5.85% of the total revenue of the Company.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

**Total Income:** During the year 2016-17, the total revenue of the company increased to ₹ 3,903.16 Lakhs as against ₹ 3,682.35 Lakhs in the year 2015- 16, representing an increase of 6.00% of the total revenue. This increase was mainly due to increase in sale of products and increase in other income.

**Other Income:** Other income of the Company for the year 2016-17 was ₹ 71.77 Lakhs in comparison with ₹ 156.55 Lakhs for F.Y. 2015-16, representing a decrease of 54.16% in comparison to previous year.

**Total Expenses:** The total expenditure for the year 2016-17 increased to ₹ 3,775.51 Lakhs from ₹ 3,471.65 Lakhs in year 2015-16, representing an increase of 8.75% to the previous year.

**Cost of Goods consumed:** The Cost of Material Consumed for the year 2016-17 decreased to ₹ 2,548.31 Lakhs from ₹ 2,649.92 Lakhs, representing a decrease of 3.83% to the previous year.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages, contribution to Provident Fund, Bonus to employees, Director's remuneration, Staff Welfare Expenses, and Provision for Gratuity. The said expenses increased to ₹ 511.65 Lakhs during the F.Y. 2016-17 from ₹ 358.85 Lakhs in the previous year 2015-16, representing an increase of 42.50% to the previous year.

**Finance Costs:** Finance cost for the year 2016-17 decreased to ₹ 215.71 Lakhs as against ₹231.05 Lakhs for the year 2015-16, representing a decrease of 7.11% to the previous year.

**Depreciation and Amortization Expense:** Depreciation for the year 2016-17 stood at ₹ 441.60 Lakhs calculated at WDV method as per companies Act. For the year 2015-16 the same was ₹ 533.10 Lakhs.

**Other Expenses:** : Other expenses include expenditure incurred on manufacturing activities such as electric charges, fuel charges, production expenditures, repairs & maintenance etc., Selling & Administrative Expenses includes advertisement expenses, export related expenses, transportation and loading expenses, rates & taxes, conveyance, travelling, insurance and general administration expenses etc. These expenses increased to ₹ 403.45 Lakhs for the year 2016- 17 as against ₹ 346.96 Lakhs for the year 2015-16.

**Profit/ (Loss) Before Tax:** The company's profit before tax for F.Y. 2016-17 was ₹ 127.65 Lakhs as against ₹ 210.70 Lakhs in the year 2015-16 representing a decrease of 65.06 % to the previous year.

**Profit/ (Loss) After Tax :** For the year 2016-17 the profit stood at ₹ 80.70 Lakhs as against the profit of ₹ 268.11 Lakhs for the year 2015-16, representing a decrease of 232.23 % to the previous year.

#### 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 ₹ 3,682.35 Lakhs as against ₹3,405.67 Lakhs in the year 2014- 15, representing an increase of 8.12 % of the total revenue. This increase was mainly due to increase in sale of Products.

**Other Income:** Other income of the Company for the year 2015-16 was ₹ 156.55 Lakhs in comparison with ₹ 76.01 Lakhs for F.Y. 2014-15.

**Total Expenses:** The total expenditure for the year 2015-16 increased to ₹ 3,471.65 Lakhs from ₹ 3,344.88 Lakhs in year 2014-15, representing an increase of 3.79% to the previous year. This was due to increase in volume of business expenditure on account of raw material consumed.

**Cost of Material Consumed:** The Cost of Material Consumed for the year 2015-16 increased to ₹ 2,649.92 Lakhs from ₹ 2,130.38 Lakhs, representing an increase of 24.39% to the previous year.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages, contribution to Provident Fund, Bonus to employees, Director's remuneration, Staff Welfare Expenses, and Provision for Gratuity. The said expenses decreased to ₹ 358.85 Lakhs during the F.Y. 2015-16 from ₹ 361.39 Lakhs in the previous year 2014-15.

**Finance Costs:** Finance cost for the year 2015-16 increased to ₹ 231.05 Lakhs as against ₹ 205.09 Lakhs for the year 2014-15. This increase in amount was due to increase in borrowings of the Company.

**Depreciation and Amortization Expense:** Depreciation for the year 2015-16 stood at ₹ 91.35 Lakhs calculated at WDV method as per companies Act. For the year 2014-15 the same was ₹ 92.72 Lakhs.

**Other Expenses:** Other expenses include expenditure incurred on manufacturing activities such as electric charges, fuel charges, production expenditures, repairs & maintenance etc., Selling & Administrative Expenses includes advertisement expenses, export related expenses, transportation and loading expenses, rates & taxes, conveyance, travelling, insurance and general administration expenses etc. These expenses were for the year 2015-16 decreased to ₹346.96 Lacs as against ₹390.58 Lacs in the previous year.

**Profit/ (Loss) Before Tax** The company's profit before tax for F.Y. 2015-16 increase to Rs 210.70 Lakhs from ₹60.79 Lakhs in the year 2014-15 representing an increase of 246.59 % as compared to the previous year.

**Profit/ (Loss) After Tax** For the year 2015-16 the profit stood at ₹ 268.11 Lakhs as against the profit of ₹40.99 Lakhs for the year 2014-15.

#### 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 ₹3,405.67 lakhs as against previous financial year 2013-14 of ₹3,355.35 lakhs representing an increase of 1.50% as compared to previous year. This increase was mainly due to increase in revenue from sale of products.

**Total Expenses:** Total expenditure for the F.Y. 2014-15 increased to ₹ 3,344.88 Lakhs from ₹ 3,259.95 Lakhs in FY 2013-14 representing an increase of 2.61% as compared to previous year.

**Employee benefits expense:** Employee benefits expense decreased to ₹ 361.39 Lacs in the year F.Y 2014-15 from ₹ 363.62 Lakhs in FY 2013-14, representing an increase of 0.61% as compared to previous year.

**Finance Costs:** Finance costs decreased to ₹205.09 Lacs in F.Y 2014-15 as compared to F.Y 2013-14 in which it was ₹ 206.91 Lakhs

**Depreciation and amortization expense:** Depreciation and amortization expense increased in FY 2014-15 to ₹ 92.72 Lakhs from ₹ 56.29 Lakhs as compared to previous year FY 2013-14.

**Other Expenses:** Other expenses for the F.Y 2014-15 increased to ₹ 390.58 Lakhs whereas it was ₹ 381.48 Lakhs in previous F.Y. 2013-14.

**Net Profit before tax:** Net Profit before tax for the F.Y 2014-15 was ₹60.79 Lakhs as against of ₹95.40 Lakhs for the previous year 2013-14 .

**Profit after tax:** The Restated profit after tax for the F.Y 2014-15 was at ₹ 40.99 Lakhs as against profit of ₹ 57.52 Lakhs in the previous year 2013-14.

**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. Except as disclosed in this Draft Prospectus, there are no unusual or infrequent events or transactions in our Company.

**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 14 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Our Company’s future costs and revenues will be determined by demand/supply situation in manufacturing sector, government policies and prices quoted by our suppliers for raw material.

**5. Total turnover of each major industry segment in which our Company operates**

The Company is in the business of the manufacturing of clocks, clock movements and related parts. Relevant industry data, as available, has been included in the chapter titled “**Industry Overview**” beginning on page 79 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. There is no addition to our product portfolio during the last 1 year.

#### 7. Status of any publicly announced New Products or Business Segment

Our Company has not announced any new product.

#### 8. Seasonality of business

Our Company's business is not seasonal in nature.

#### 9. Dependence on few customers/ clients

The percentage of contribution of our Company's Top Customers/Clients for the year ended March 31, 2017 is as follows:

#### Our Major Customers/ Clients for the year ended March 31<sup>st</sup>, 2017

Name of the Clients	Amount (₹ in Lacs)	As % of total turnover
R.Kamal Trading Co. (L.L.C.), Dubai	290.62	7.66%
Khariwal Marketing, Chennai	201.01	5.30%
Khaled Mohamed Kazem, Iraq	169.12	4.46%
Sonam Tradelink LLP	168.68	4.45%
Designer Effects, Mumbai	148.9	3.93%
Sri Vinayaka Associates, Kerala	139.12	3.67%
Qamet Alamel Co., Iraq	126.16	3.33%
Sonam Network, Jaipur	119.3	3.15%
Sonam Traders	94.81	2.50%
Sado Company For General Trade, Iraq	94.15	2.48%
<b>Total</b>	<b>1551.87</b>	<b>40.92</b>

#### 10. Competitive conditions

Competitive conditions are as described under the Chapters "*Industry Overview*" and "*Our Business*" beginning on pages 79 and 88 respectively of the Draft Prospectus.

#### 11. Details of material developments after the date of last balance sheet i.e. December 31, 2017

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.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

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

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 consolidated trade payables as per the last audited financial statements of the Issuer.

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 statement and such pending cases are material from the perspective of the Issuer's business, operations, prospects or reputation.

#### PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amount (Rs. in Lakhs)
Central Excise and Custom Matters	35.01
Value Added Tax (VAT) Matters	130.31
<b>Total</b>	<b>165.32</b>

#### PART 2: LITIGATION RELATING TO OUR COMPANY

##### **A. FILED AGAINST OUR COMPANY**

##### **1) Litigation involving Criminal Laws**

###### **Prosecution under Income Tax Act, 1961**

The Commissioner of Income Tax has issued a Show Cause Notice No. CIT (TDS) Tech/prosecution/SCPL/2017-18, dated December 1, 2017 to the Company to launch a prosecution for technical offence committed u/s 276B of the Income Tax Act, 1961, alleging that the company has committed delay in depositing the TDS amount of Rs. 38,98,928/- within the time prescribed under the said Act and retained the government money after the due date for Assessment Year 2013-14 for a period of less than 12 months. In response to it, the Company has requested Chief Commissioner of Income Tax (TDS) to drop the prosecution for technical offence on the grounds that there existed reasonable cause for technical delay in deposit of TDS and the company has made voluntary compliance by making TDS deposit along with due interest on late payment of deposit. The prosecution proceedings are yet to be disposed off.

##### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3) Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities****Income Tax**For Assessment Year 2008-09

1. For A.Y. 2008-09, the Company has an outstanding liability of Rs. 1,98,248/- under Section 143(1) of the Income Tax Act, 1961, vide demand raised on March 15, 2010 against the Company, as per TRACES.

For Assessment Year 2004-05

1. For A.Y. 2004-05, the Company has an outstanding liability of Rs. 57,102/- under Section 143(3) of the Income Tax Act, 1961, vide demand raised on December 26, 2006 against the Company, as per TRACES.

**TDS Liability as per TRACES**

1. As per TRACES, the following TDS Liabilities of the Company are being shown towards short payment of TDS or towards the interest liability for late payment:

Sr. No.	Financial Year	Outstanding Liability (in Rs.)
1.	2017-18	17,585
2.	2016-17	6,22,774
3.	2015-16	14,681.50
4.	2014-15	1,56,481
5.	Prior Years	5,80,625.94
<b>Total Outstanding Liability</b>		<b>13,92,147.44</b>

**(ii) Indirect tax Liabilities****CENTRAL EXCISE DUTY**Commissioner – Central Excise and Customs v. Sonam Clock Pvt. Ltd.

The Central Excise and Customs has filed a tax Appeal No. 361 of 2012, dated 11.06.2012, before the High Court of Gujarat at Ahmedabad, under Section 35G of the Central Excise Act, 1944 against the impugned Order dated 21.11.2011 of the CESTAT and was admitted on 18.06.2012 by the High Court. Under the impugned order the company had accepted its liability towards excise duty under Section 11A(1A) and has been granted the benefit of Section 11AC for payment of 25% of the applicable interest and penalty. Department has alleged in the appeal that the Company had been given the benefit of Section 11A (1A) whereas, the provision of which has come into effect from 13.07.2006 and the company had been in default for payment of duty from June, 2006 to September, 2006. The amount of liability in the matter may be 23,96,195/-. The matter is pending hearing and disposal.

**ANTI DUMPING DUTY**

The Company had imported certain product from China, on which anti-dumping duty was imposed by the Deputy/Assistant Commissioner of Customs, Mundra vide its Orders dated 27.10.2015, 17.10.2015 and 30.10.2015, for Rs. 4,03,471/-, 5,12,056/- and 4,03,471/- respectively. The Company had filed appeals, bearing numbers 507/2015, 508/2015 and 509/2015 against the said Orders before the Commissioner of Appeals (Customs). The Appeal No. 508/2015 was rejected on the ground of limitation as provided u/s 128 of Customs Act, 1962, and Appeal Numbers 507/2015 and 509/2015 were remanded to the proper officer, as entire facts were not available on record to verify the claim of the Company. The total ascertained liability in the matter is of Rs. 5,12,056/-. The matter is still pending for reassessment.

**1) 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

#### Direct Tax Liability

NIL

#### Indirect Tax Liability

#### CENTRAL SALES TAX

##### For the Period 01/04/2012 to 31/03/2013

The Company has filed an appeal before the Deputy Commissioner of Commercial Tax, Appeal, Rajkot, under Section 9(2) of CST Act r/w Section 73 of the GVAT Act, against the assessment order dated 06.03.2017 under the Central Sales Tax, 1956 and Section 32/34/35 of the Gujarat Value Added Tax Act, 2003 for the said period of 2012-2013. As per the impugned Order, the Assessing Officer has created a demand of Rs. 23,36,042/- towards tax, Rs. 18,57,152/- towards interest and has imposed a penalty of Rs. 5,84,010/- under the aforesaid sections of the Acts, by discarding the C forms Rs. 1,75,10,346/- submitted by the Company. The total liability in the matter is Rs. 47,77,203/-. The Company has obtained a stay on recovery of the demand till 31.03.2018. The matter is pending for hearing.

##### For the Period 01/04/2010 to 31/03/2011

The Company has filed an appeal before the Deputy Commissioner of Commercial Tax against the assessment order dated 30.03.2015 under the Central Sales Tax, 1956 read with Central Sales Tax (Gujarat) Rules, 1970 for the period 2010-2011 against a demand of Rs. 82,53,243/- towards tax and penalty. The department has not accepted the 'C' forms submitted by the company and has raised the demand accordingly. The company has obtained stay on recovery of demand till 31.07.2018. The matter is pending for hearing.

### 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

##### Motor Vehicles Act, 1988

1. HasambhaiAmadbhaiMadkiya v. Jayeshbhai Chhabildas Shah

MACP case number 46/2011 was filed against Mr. Jayeshbhai Chhabildas Shah by Hasambhai Amadbhai Madkiya on April 6, 2011 before the District Court, Morbi under Sections 140 and 166 of the Motor Vehicles Act, 1988. The matter is pending at Applicant's Evidence stage and the next hearing is scheduled to be on March 22, 2018.

2. FirozbhaiAmadbhai Bhanu v. Jayeshbhai Chhabildas Shah

MACP case number 45/2011 was filed against Mr. JayeshbhaiChhabildas Shah by FirozbhaiAmadbhai Bhanu on April 6, 2011 before the District Court, Morbi under Sections 140 and 166 of the Motor Vehicles Act, 1988. The matter is pending at Applicant's Evidence stage and the next hearing is scheduled to be on March 22, 2018.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

NIL

**4) Other Pending Litigation**

NIL

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

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

NIL

**4) Other Pending Litigation**

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

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

**Direct Taxes**

NIL

**Indirect Taxes**

NIL

**4) Other Pending Litigation**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES****1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

NIL

**4) Other Pending Litigation**

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 Consolidated Trade Payables as per last audited/restated financial statements, to small scale undertakings and other creditors as material dues for our Company. As on December 31, 2017, there are 2 creditors to each of whom our Company owes amounts exceeding 5% of our Company's Trade Payables and the aggregate outstanding dues to them being approximately Rs. 173.33 lakhs. 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 December 31, 2017, our Company owes amounts aggregating to Rs. 477.66 lakhs approximately towards 113 creditors for Trade Payables 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.sonamquartz.com](http://www.sonamquartz.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 189 of this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

### GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities.

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 Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

#### Approvals for the Issue

- a. The Board of Directors have, pursuant to a resolution passed at its meeting held on February 21, 2018 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.
- b. 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 Extra Ordinary General Meeting of shareholders held on February 26, 2018.
- c. Our Company has obtained approval from SME platform of NSE by way of a letter dated [●] to use the name of the Stock Exchange in this Draft Prospectus for listing of Equity Shares on the Stock Exchange.

#### Approvals /Licenses/Permissions procured to conduct our Business :

##### A. Incorporation Documents:

Sr. No.	Nature of Registration/License	Registration/License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1	Certificate of Incorporation as Sonam Clock Private Limited	U33302GJ20001P TC39689	Companies Act, 1956	Registrar of Companies, Gujarat, Dadra & Nagar Haveli	June 21, 2001	Valid till cancelled
2	Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company	U33302GJ2001PL C039689	Companies Act, 2013	Registrar of Companies, Ahmedabad	February 7, 2018	Valid till cancelled

##### B. Taxation Related Approvals

Sr. No.	Nature of Registration/License	Registration/License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
<b>(Registration under various Acts/Rules relating to Income Tax, Sales Tax and Value Added Tax):</b>						
1.	Permanent Account Number (PAN)	AAFCS5147L	Income Tax Act, 1961	Commissioner of Income Tax, Rajkot	June 21, 2001	Valid till cancelled
2.	TAN (Tax Deduction Account Number)	RKTS00636G	Income Tax Act 1961	Income Tax Department, Rajkot	January 28, 2003	Valid till cancelled



3.	Central Sales Tax Registration	24592003082	Central Sales Tax (Registration and Turnover) Rules, 1957	Assistant Commissioner of Sales Tax, Morbi	Issue Date – NA; Last amended on September 19, 2005	Valid till cancelled
4.	Gujarat Sales Tax Registration*	24092003082	Gujarat Sales Tax Act, 1969	Assistant Commissioner of Commercial Taxes	Issued on June 24, 2002; Valid from July 1, 2002	Valid till cancelled
5.	Central Excise Registration Certificate	AAFCS5147LEM001	Under rule 9 of the central excise rules, 2002	Assistant Commissioner of Central Excise and Service Tax, Rajkot	July 18, 2011	Valid till cancelled
6.	Service Tax Registration Certificate	AAFCS5147LST001	Finance Act 1994 read with Service Tax Rules, 1994	Superintendent, Service Tax Division, Rajkot	Issued on January 11, 2005	Valid Till cancelled
7.	Registration Certificate under GST	24AAFCS5147L1Z4	Gujarat Goods and Services Tax Act, 2017	Government of India and Government of Gujarat	Issued on September 19, 2017; valid from July 1, 2017	Valid till cancelled.
8.	Certificate of Registration for State Tax on Profession	042014840-4	Gujarat State Tax on Professions, Trades, Callings and Employments Act and Rules, 1976	Profession Tax Officer, Morbi	Issued on December 28, 2001	Valid till cancelled

\*As confirmed by the Company Management, the Gujarat Sales Tax Registration of the Company is also serving as the VAT Registration of the Company.

### C. Industrial, Labour And Technical Related Approvals

Sr. No.	Nature of Registration/License	Registration/License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under Employees' Provident Funds (EPF)	GJRAJ0040969000	Employee's Provident Funds & Miscellaneous Provisions Act, 1952	Office of Regional Provident Fund Commissioner	Coverage Date: October 1, 2002	Valid till cancelled





### D. Business Related Certifications






Sr. No.	Nature of Registration/License	Registration/License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate of Importer-Exporter Code	2401002685	The Foreign Trade (Development & Regulation) Act, 1992	Foreign Trade Development Officer	October 29, 2001	Valid till cancelled
2.	Grant of Authorization (Merchandise Exports from India) Scheme (MEIS)	2419006237; Port of Registration-Mundra	The Foreign Trade (Development & Regulation)	Foreign Trade Development Officer	November 2, 2016	Period of Shipment 18 months; November

			Act, 1992			2, 2016 to May 31, 2018
3.	Certificate of Registration as a SSI/SSSBE unit/ Tiny Unit	092424435	Industrial (Development and Regulation) Act, 1951	District Industries Centre, Rajkot	July 3, 2003	Valid till cancelled
4.	Registration Certificate of Manufacture/Packer/Importer for Wall Clock & Time Piece & Clock Part Accessories	GUJ/ACLM/RAJ/PACKER/187/16	Rule 27 of The Legal Metrology (Packaged Commodities) Rules, 2011	Assistant Controller of Legal Metrology and Consumer Protection officer, Rajkot	June 20, 2016	Valid till cancelled

**E. Intellectual Property Rights Certifications:**


a) The Company does not own any other trademark and copyright registered in its name except as mentioned hereunder:

S. No	Brand name/ Logo Trademark/Copyright	Class	Trademark	Owner	RegistrationNo. & Date	Status
1.	Trademark for Quartz and Electronic Clocks	14		Sonam Clock Private Limited	2124946 dated April 4, 2011	Registered
2.	Trademark for Quartz and Electronic Clocks	14		Sonam Clock Private Limited	2124944 dated April 4, 2011	Registered
3.	Trademark for Quartz Wall Clock Movement and other Clock Spare parts and Accessories	14		Sonam Clock Private Limited	2286807 dated February 22, 2012	Registered
4.	Trademark for Quartz, Electronic Clocks, Glass (watch), ornaments, watches and spares thereof, watch cases, watches, wall clock, clock parts, clock moments, belts and straps	14		Sonam Clock Private Limited	3228407 dated April 05, 2016	Registered
5.	Trademark for Quartz, Electronic Clocks, Glass (watch), ornaments, watches and spares thereof, watch cases, watches, wall clock, clock parts, clock moments, belt and straps	14		Sonam Clock Private Limited	3249912 dated May 3, 2016	Registered

						
6.	Trademark for Glass (watch), ornaments, watches and spares thereof, watch cases, watches, wall clock, clock parts, belt and straps	14		Sonam Clock Private Limited	2558327 dated July 3, 2013	Registered
7.	Trademark for Quartz and Electronic Clocks	14		Sonam Clock Private Limited	2124948 dated April 04, 2011	Registered
8.	Trademark for Quartz, electronic clocks, glass (watch), ornaments, watches and spares thereof, watch cases, Watches, wall clock, clock parts, clock moments, belt and straps	14	5168	Sonam Clock Private Limited	3228408 dated April 05, 2016	Registered
9.	Copyright on Sonam (Label)	Artistic work		Sonam Clock Private Limited	A-112199 dated October 27, 2014	Registered
10.	Copyright on Logo	Artistic work		Sonam Clock Private Limited	A-119223 dated August 2, 2017	Registered

**b) Trademarks registered in the name of Promoters/their relatives and being used by the Company:**

S. No	Brand name/ Logo Trademark/Copyright	Class	Trademark	Owner	Registration No. & Date	Status
1.	Trademark for Quartz, Electronic Clocks, Glass (watch), ornaments, watches and spares thereof, watch cases, watches, wall clock, clock parts, clock moments, belt and straps, Quartz wall clock movement and other clock spareparts and accessories	14	757	Harshil Jayesh Shah	3113847 dated December 2, 2015	Registered

2.	Trademark for Precious metals and their alloys and goods in precious metals or coated therewith (except cutlery, forks and spoons), jewelry, precious stones; horological and other chronometrical instruments, clocks and parts thereof	14		Jayesh Chhabildas Shah	1275375 renewed for a period of 10 years from March 29, 2014	Registered and Renewed
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**F. QUALITY CERTIFICATIONS AND REGISTRATION/MEMBERSHIP OF TRADE ASSOCIATION/EXPORT COUNCIL AND TECHNICAL APPROVALS**

S. No.	Nature of Registration/License	Registration/License No.	Issuing Authority	Date of Issue	Date of Expiry
1.	ISO 9001: 2008 for design, manufacture and supply of Quartz Clocks, Time piece, gift articles (clocks) and digital clocks to national and international markets	19115D1310	Stancert Assessors (P) Ltd.	August 27, 2015	August 26, 2018

**G. Approval or Licenses Applied For And /or Pending Renewal:**

Sr. No.	Description	Applicable law	Date of Application
1	Renewal of Factory Licence (valid upto December 31, 2016)	Factories Act,1948	October 16, 2017

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

#### Fresh Issue

The Board of Directors, pursuant to a resolution passed at their meeting held on February 21, 2018 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 Extra Ordinary General Meeting held on February 26, 2018 authorized the Issue.

Our Company has obtained in-principle 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 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.

#### 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 Companies, 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 201 of the Draft Prospectus.

#### Eligibility for the Issue

Our Company is eligible 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) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is not more than ₹ 25 crores 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 will be 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 41 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 eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In 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 will enter into agreement with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of 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 41 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.

5. Our Company shall mandatorily facilitate trading in demat securities for which we will enter into an agreement with the Central Depository Services Limited (CDSL) and National Securities Depository Limited for establishing connectivity.
6. Our Company has a website i.e. [www.sonamquartz.com](http://www.sonamquartz.com)
7. 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 below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE):-

1. Our Company was originally incorporated as "Sonam Clock Private Limited" on June 21, 2001 vide Registration no. 039689/2001-2002 (CIN: U33302GJ2001PTC39689) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 29, 2018, our company was converted into a Public Limited Company and consequently the name of our Company was changed from "Sonam Clock Private Limited" to "Sonam Clock Limited" vide a fresh Certificate of Incorporation dated February 07, 2018 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company post conversion is U33302GJ2001PLC039689.
2. The post issue paid up capital of the company will be 1,00,08,000 shares of face value of ₹ 10/- aggregating to ₹ 1000.08 lakhs which is less than ₹ 25 Crore.
3. The company confirms that it has track record of more than 3 years.
4. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on December 31, 2017 is positive.
5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
6. 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.

7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.

#### **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. – NOTED FOR COMPLIANCE
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 IN TERMS 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. - NOTED FOR COMPLIANCE
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. - NOTED FOR COMPLIANCE
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. – NOTED FOR COMPLIANCE**

**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	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Shanti Overseas (India) Limited	10.02	50.00	August 03, 2017	60.00	-27.00% [-1.01%]	-25.00% [3.21%]	-14% [10.35%]
2.	Surevin BPO Services Limited	3.648	40.00	August 09, 2017	48.00	-7.50% [0.27%]	-10.50% [4.46%]	97.5% [7.65%]
3.	Pashupati Cotspin Limited	20.88	75.00	September 08, 2017	77.00	-0.13% [0.54%]	-1.47% [2.33%]	-5.33% [2.21%]
4.	Share India Securities Limited	26.37	41.00	October 05, 2017	44.75	49.27% [6.30%]	112.32% [6.97%]	NA
5.	RKEC Projects Limited	28.70	45.00	October 09, 2017	54.00	202.22% [3.15%]	281.78% [6.36%]	NA
6.	D. P. Abhushan Limited	16.61	28.00	October 23, 2017	33.60	92.86% [1.55%]	162.50% [7.67%]	NA
7.	ANI Integrated Services Limited	25.656	100.00	November 20, 2017	120.00	67.00% [1.41%]	21% [0.77%]	NA
8.	Dynamic Cables Limited	23.376	40.00	December 14, 2017	48.00	63.13% [4.80%]	NA	NA
9.	Vasa Retail and Overseas Limited	4.8	30.00	February 06, 2018	36.00	104.33% [-2.43]	NA	NA
10.	Hindcon Chemicals Limited	7.728	28.00	March 09, 2018	33.60	NA	NA	NA

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://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 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2013-14	3 <sup>(1)</sup>	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7 <sup>(2)</sup>	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-16	8 <sup>(3)</sup>	34.20	-	-	1	2	2	3	-	-	-	3	1	4
2016-17	12 <sup>(4)</sup>	99.90	-	-	2	3	3	4	-	-	3	3	2	4
2017-18	15 <sup>(5)</sup>	213.75	-	1	2	6	2	3	-	-	3	2	2	1

(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, Advance Syntex Limited, Madhya Bharat Agro Products Limited, Aurangabad Distillery Limited, Pansari Developers Limited, Dhanuka Realty Limited, Globe International Carriers Limited, Art Nirman Limited, Krishana Phoschem Limited, Global Education Limited, RMC Switchgears Limited and Laxmi Cotspin Limited were listed on April 13, 2016, July 12, 2016, September 16, 2016, October 17, 2016, October 18th, 2016, October 18th, 2016, October 19th, 2016, October 19th, 2016, February 27, 2017, March 02, 2017, March 14, 2017 and March 31, 2017 respectively.

(5) The Scrips of Dev Information Technology Limited, Vadivarhe Speciality Chemicals Limited, Globe Textiles (India) Limited, Accord Synergy Limited, Captain Technocast Limited, Shanti Overseas (India) Limited, Surevin BPO Services Limited, Pashupati Cotspin Limited, Share India Securities Limited, RKEC Projects Limited, D. P. Abhushan Limited, ANI Integrated Services Limited,

*Dynamic Cables Limited , Vasa Retail and Overseas Limited and Hindcon Chemicals Limited was listed on April 17, 2017, June 02, 2017, June 23, 2017, July 06, 2017 August 01, 2017, August 03, 2017, August 09, 2017, September 08, 2017, October 05, 2017, October 09, 2017, October 23, 2017, November 20, 2017, December 14, 2017, February 06, 2018 and March 09, 2018 respectively. Further, the Scrips of Pashupati Cotspin Limited, Share India Securities Limited, RKEC Projects Limited, D. P. Abhushan Limited and ANI Integrated Services Limited has not completed 180<sup>th</sup> days from the date of their listing . Moreover, the scrips of Dynamic Cables Limited and Vasa Retail and Overseas Limited has not completed 90<sup>th</sup> and 180<sup>th</sup> days from the date of its listing and the scrip of and Hindcon Chemicals Limited has not completed its 30<sup>th</sup> day from the date of its listing.*

**Note:**

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) 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](http://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 Agreement entered between the LM (Hem securities Limited) and our Company on March 05, 2018 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 Companies, 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 Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

**Note**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company 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) 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 Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at SEBI Western Regional Office, SEBI Unit No.: 002 Ground Floor SAKAR I Near. Gandhigram Railway Station, opposite Nehru Bridge, Ashram Road, Ahmedabad-380009, Gujarat for their record purpose only.

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, 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 in-principle 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, Our Peer Review Auditor, Our Banker to the Company\*; (b) Lead Manager, Registrar to the Issue, Banker to the Issue\*, Legal Advisor to the Issue, Underwriter to the Issue\*, Advior 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.

*\*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, D. V. Bakrania & Associates., Chartered Accountants, Statutory Auditor and J B Shah & Co., Chartered Accountants, 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 Standalone financial statements & restated Consolidate financial 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 136 and page 77 of this Draft Prospectus from the Statutory & Peer Review Auditors, 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. [●] Lakh, which is [●] 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:-

S.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.	Advertising and Marketing expenses	[●]	[●]	[●]
4.	Regulatory fees and expenses	[●]	[●]	[●]
	<b>Total estimated Issue Expenses</b>	[●]	[●]	[●]

\*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) Lead Manager Agreement dated March 05, 2018 with the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated [●] with Underwriter [●] and (iii) the Market Making Agreement dated [●] with Market Maker [●], 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 February 27, 2018 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 send allotment advice by registered post/speed post.

### Particulars regarding Public or Rights Issues during the last five (5) years

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 48 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 48 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies 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 body corporate 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.

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 appointed Ms. Sejal Hareshbhai Shah, 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. Sejal Hareshbhai Shah**

**Sonam Clock Limited**

Survey No. 337/p, Morbi Rajkot Highway, Taluka Tankara, District Morbi, Lajai, Rajkot - 363641 Gujarat, India

Tel. No. +91-2822-285017

E-mail: [cs@sonamquartz.com](mailto:cs@sonamquartz.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](http://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**

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 48 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 77 of this Draft Prospectus.

### **Purchase of Property**

Other than as disclosed in Section ***“Our Business”*** on page 88 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 114 and *“Annexure Z –Statement Related Party Transactions”* beginning on page 179 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, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November, 10th 2015, all the investors applying in this Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms.*

#### **Authority for the Issue**

The present Public Issue of 28,08,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on February 21, 2018 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on February 27, 2018 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being 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 in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to "*Main Provisions of Articles of Association of the Company*" on page 272 of the 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, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to "*Dividend Policy*" on page 132 of the Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of the Prospectus at the price of Rs. [●] per equity Share (including premium of Rs. [●] per 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 74 of the 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 the disclosure and accounting norms**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;

- Right to receive Annual Reports & 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 or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “*Main Provisions of Articles of Association of the Company*” beginning on page 272 of the Draft Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

As per 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. In this context, two agreements will be signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated [●] between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated [●] between CDSL, our Company and Registrar to the Issue; and

The trading of the Equity Shares will happen in the minimum contract size of [●] 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 Offer will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 106(Q) 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.*

### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders In case the 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**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### Period of Operation of Subscription List of Public Issue

<b>ISSUE OPENS ON</b>	[●]
<b>ISSUE CLOSES ON</b>	[●]

#### Minimum Subscription

*In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft Prospectus and shall not be restricted to the minimum subscription level.*

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 the issuer 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 refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies(Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

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 106( R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)*

*Further, in accordance with Regulation 106 Q 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.*

#### Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] 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 SME Platform of NSE.

#### Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**As per the extant 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.

**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 Promoter minimum contribution in the Issue as detailed in the section titled "**Capital Structure**" beginning on page 48 of the 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**" on page 272 of the Draft Prospectus.

*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 Managers 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 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.*

**Option to receive Equity Shares in Dematerialized Form**

As per section 29(1) of the new Companies Act 2013 and in accordance with SEBI (ICDR) Regulations, every company making public offer shall issue securities in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

**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 2 (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, 2009.

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 ₹ 25 Crore 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 Crore and up to ₹ 25.00 Crore, 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 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 Makers 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 the Company, the Lead Manager and the Market Maker please refer to section titled "**General Information - Details of the Market Making Arrangements for this Issue**" on page 41 of the 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 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 to ₹ 50 Crore	20%	19%
₹ 50 to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

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.

### New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### 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 Rajkot, Gujarat, 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, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and

may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



### ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106 (M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up Face value capital is more than ₹ 10 Crore, 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 225 and 231 of the Draft Prospectus.

The Issue comprise of a Public Issue of 28,08,000 Equity Shares of Face Value of ₹ 10/- each fully paid (The "Equity Shares") for cash at a price of ₹ [●] /- per Equity Shares (including a premium of ₹ [●] /- per equity share) aggregating to ₹ [●] ( "the issue") by our Company of which 1,44,000 Equity Shares of ₹ 10 each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 26,64,000 Equity Shares of ₹ 10 each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 28.06% and 26.62% respectively of the Post Issue paid up Equity Share Capital of Our Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	26,64,000 Equity Shares	1,44,000 Equity Shares
Percentage of Issue Size available for allocation	94.87% of the Issue Size	5.13 % of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to " <b>Issue Procedure - Basis of Allotment</b> " on page 263 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<p><b><u>For Other than Retail Individual Investors:</u></b></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of ₹ [●] each, such that the Application Value exceeds ₹ 2.00 Lakh.</p> <p><b><u>For Retail Individuals Investors:</u></b></p> <p>[●] Equity Shares at an Issue price of ₹ [●] each</p>	1,44,000 Equity Shares
Maximum Application Size	<p><b><u>For Other than Retails Individual Investors:</u></b></p> <p>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.</p> <p><b><u>For Retail Individuals Investors:</u></b></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed ₹ 2, 00,000/-.</p>	1,44,000 Equity Shares
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Application lot Size	[●] Equity Shares thereafter Equity Shares and in multiples of [●]	
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

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 231 of the Draft Prospectus.

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

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

***If the retail individual investor category is entitled to more than fifty percent 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.

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 the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Draft Prospectus 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, which our Company will apply for only after Allotment; and (ii) the final ROC approval to the Prospectus after it is filed with the ROC.

### **Issue Programme**

<b>ISSUE OPENING DATE</b>	[•]
<b>ISSUE CLOSING DATE</b>	[•]

Applications and any revisions to the same will be accepted only between 10.00 a.m. 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.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

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.

**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) (2) 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

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 is 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. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

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:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	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 as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Who can apply?**

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:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non

Institutional Investors category;

- 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.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] 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 [●] 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 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 Registrar of Companies 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 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; (i) 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:

- 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 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 [●] 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 Bakers, 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.
  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 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 1,44,000 Equity Shares shall be reserved for Market Maker and 26,64,000 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 filed with the ROC in terms of Section 26 of Companies Act, 2013.

#### **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 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);
- 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.
- Do not make more than five applications from one bank account.

**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](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://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 from 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](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

**Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 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.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **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](http://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, 2009 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 (2) 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 (2) 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.

- 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) Our Company was originally incorporated as “Sonam Clock Private Limited” on June 21, 2001 vide Registration no. 039689/2001-2002 (CIN: U33302GJ2001PTC39689) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 29, 2018, our company was converted into a Public Limited Company and consequently the name of our Company was changed from “Sonam Clock Private Limited” to “Sonam Clock Limited” vide a fresh Certificate of Incorporation dated February 07, 2018 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company post conversion is U33302GJ2001PLC039689.
- f) The post issue paid up capital of the company will be 1,00,08,000, equity shares of face value of ₹ 10/- aggregating to ₹ 10.08 Crore which is less than ₹ 25 Crore.
- g) The company confirms that it has track record of more than 3 years.
- h) The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on December 31, 2017 is positive.
- 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(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post issue face value capital does not exceed ₹ 2,500 Lakh. 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:

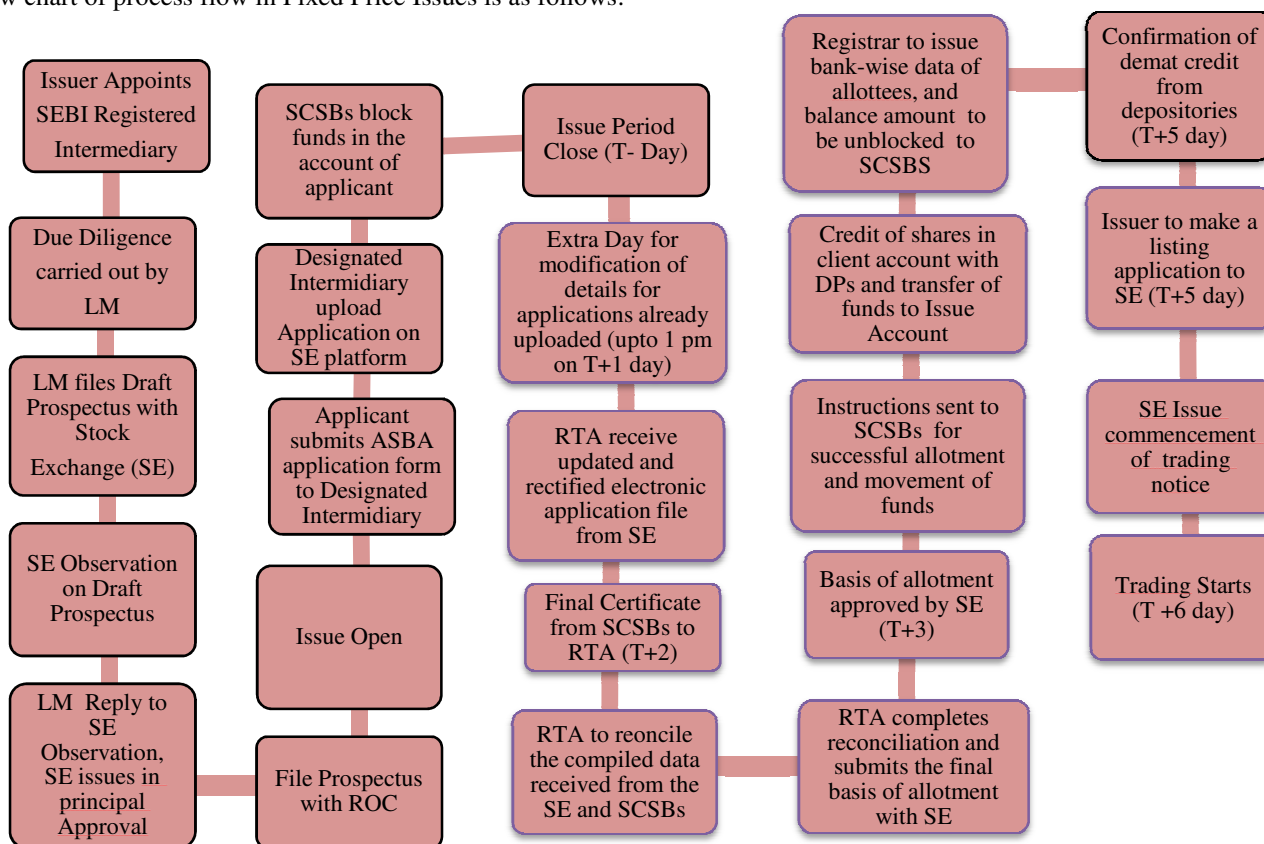
- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other 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:

<b>Category</b>	<b>Color of the Application</b>
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:

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>			
LOGO	Address : _____ Contact Details: _____ CIN No _____	Bid cum Application Form No. _____			
TO, THE BOARD OF DIRECTORS XYZ LIMITED		<b>FIXED PRICE GME ISSUE</b> <b>INE0000000000</b>			
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.			
<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>					
Mr. / Ms. _____					
Address _____					
Email _____					
Tel. No (with STD code) / Mobile _____					
<b>2. PAN OF SOLE / FIRST BIDDER</b>					
_____					
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL			<b>6. INVESTOR STATUS</b>		
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID					
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>			<b>5. CATEGORY</b> <input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB <small>* RUP should apply only through Karva (Application by RUP would be treated on par with Individual)</small>		
Bid Option:	No. of Equity Shares Bid (In Figures) <small>(Bids 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>			
		Bid Price		Retail Discount    Net Price    "Cut-off (Please tick)	
Option 1				<input type="checkbox"/>	
(OR) Option 2			<input type="checkbox"/>		
(OR) Option 3			<input type="checkbox"/>		
<b>7. PAYMENT DETAILS</b>			<b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>		
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 BROCHURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GDI") 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>					
<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>		<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b> <small>(AS PER BANK RECORDS)</small>			
Date : _____		I/We authorize the SCSB to do all acts as are necessary to make the Application in the line			
		1) _____			
		2) _____			
		3) _____			
TEAR HERE					
LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____		
DPID / CLID	_____	_____	PAN of Sole / First Bidder _____		
Amount paid (₹ in figures)	_____	Bank & Branch	Stamp & Signature of SCSB Branch		
ASBA Bank A/c No.	_____	_____	_____		
Received from Mr./Ms.	_____	_____			
Telephone / Mobile	_____	Email _____			
TEAR HERE					
<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	
	No. of Equity Shares				Name of Sole / First Bidder _____
	Bid Price				<b>Acknowledgement Slip for Bidder</b>
	Amount Paid (₹)				
	ASBA Bank A/c No.	_____	_____		
Bank & Branch	_____	_____			

**COMMON BID CUM APPLICATION FORM**

**XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**

For Eligible NRI, FI, FVCI, applying on Restriction Basis

Address : \_\_\_\_\_ Contact Details : \_\_\_\_\_ CIN No \_\_\_\_\_

Bid cum Application Form No. \_\_\_\_\_

LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED

**FIXED PRICE GME ISSUE**

INE00000000000

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**     NSDL     CDSL

For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

**5. CATEGORY**

Retail Investor Bidder

Non-Institutional Bidder

QIB

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

Bid Options	No. of Equity Shares Bid (In Figures) <small>(Digits must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) "Cut-off" <small>(Prices in multiples of ₹ 2/- only) (In Figures)</small>			"Cut-off" (Pence/Gck)
		Bid Price	Retail Discount	Net Price	
Option 1	8   7   6   5   4   3   2   1	5   7   1	5   7   1	5   7   1	<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>

**6. Investor Status**

Non-Resident Indians (Residential Basis)    NRI

Foreign Institutional Investor    FI

Foreign Venture Capital Investor    FVC

FI Sub Account Corporate/ Individual    FISA

Others (Please Specify)    OTH

**7. PAYMENT DETAILS**

Amount paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

**PAYMENT OPTION : FULL PAY**

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 ABOVE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GPI") 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 CUM APPLICATION FORM GIVEN OVERLEAF.

**8A. SIGNATURE OF SOLE / FIRST BIDDER**

\_\_\_\_\_

Date : \_\_\_\_\_

**8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)**

I/We authorize the SCSB to do all acts as 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**

**INITIAL PUBLIC ISSUE - NR**

**Acknowledgement Slip for Broker/SCSB/DP/RTA**

Bid cum Application Form No. \_\_\_\_\_

PAN of Sole / First Bidder \_\_\_\_\_

DPID / CIN ID \_\_\_\_\_

Amount paid (₹ in figures) \_\_\_\_\_ Bank & Branch \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone / Mobile \_\_\_\_\_ Email \_\_\_\_\_

Stamp & Signature of SCSB Branch

**AM LUMBU - INITIAL PUBLIC ISSUE NR**

	Option 1	Option 2	Option 3
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. \_\_\_\_\_



#### 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. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: APPLICATION DETAILS

- a) The Issuer 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 [●] Equity shares. As the application price payable by the retail individual applicants cannot exceed ₹ 200000 they can make Application for only minimum Application size i.e for [●] 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 ₹ 200000 and in multiples of [●] 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.

1. 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 SCSBs 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.
2. 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:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> 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. [ ]
<b>PLEASE CHANGE MY BID</b>		
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 [ ]		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE (OR EACH AND UNDERSTAND THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE APPLICABLE APPLICANT'S PROFILE AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDP) 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 INSTITUTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.		
7A. SIGNATURE OF SOLE / FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) <small>I/We authorize the SCSS to act as an necessary to make the Application in the line</small>	BROKER / SCSSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : [ ]	[ ] [ ] [ ]	[ ]
TEAR HERE		
LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA
		Bid cum Application Form No. [ ]
PAN of Sole / First Bidder [ ]		
Additional Amount Paid (₹) [ ] Bank & Branch [ ]		Stamp & Signature of SCSSB 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	Name of Sole / First Bidder [ ]
No. of Equity Shares	[ ] [ ] [ ]	Stamp & Signature of Broker / SCSSB / DP / RTA [ ]
Bid Price	[ ]	<b>Acknowledgement Slip for Bidder</b>
Additional Amount Paid (₹)	[ ]	
ASBA Bank A/c No.	[ ]	Bid cum Application Form No. [ ]
Bank & Branch	[ ]	

**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 [●];
- 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
- From one ASBA Account, more than five applications are made by applicant.

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 [●] Equity Shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted [●] 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 [●] Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] Equity Shares subject to a minimum allotment of [●] 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 [●] 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 the 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.1,00,000/- (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**

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.*

<b>Term</b>	<b>Description</b>
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	An 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
Bid	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 Closing 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 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).

Term	Description
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
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 <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> .
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. <a href="http://www.nseindia.com">www.nseindia.com</a>
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. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.

Term	Description
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	The 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
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

Term	Description
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
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 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

Term	Description
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.
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 <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
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 the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the RBI and the relevant ministry or ministries of the Government of India.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued the consolidated FDI policy circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force and effect as on August 28, 2017.

Subject to certain conditions, the transfer of shares by way of sale between an Indian resident and a non-resident does not require the prior approval of the RBI or the relevant ministry or ministries of the Government of India, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy 2017 and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy 2017; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under 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.

The above information is given for the benefit of the Bidders. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws.

### 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. <b>“The Act”</b> 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.	<b>The Act</b>
	ii. <b>“Articles”</b> means Articles of Association of the Company as originally framed or altered from time to time	<b>Articles</b>
	iii. <b>“Beneficial Owner”</b> shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	<b>Beneficial Owner</b>
	iv. <b>“Board” or “Board of Director”</b> means the Collective body of the Board of Directors of the Company.	<b>Board or Board of Director</b>
	v. <b>“Chairman”</b> means the Chairman of the Board of the Directors of the Company.	<b>Chairman</b>
	vi. <b>“The Company”</b> means Sonam Clock Limited	<b>The Company</b>
	vii. <b>“Depositories Act, 1996”</b> shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	<b>Depositories Act, 1996</b>
	viii. <b>“Depository”</b> shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	<b>Depository</b>
	ix. <b>“Directors”</b> mean the Directors for the time being of the Company.	<b>Directors</b>
	x. <b>“Dividend”</b> includes any interim dividend.	<b>Dividend</b>
	xi. <b>“Document”</b> means a document as defined in Section 2 (36) of the Companies Act, 2013	<b>Document</b>
	xii. <b>“Equity Share Capital”</b> , with reference to any Company limited by shares, means all share capital which is not preference share capital.	<b>Equity Share Capital</b>
	xiii. <b>“KMP”</b> means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	<b>KMP</b>
	xiv. <b>“Managing Director”</b> 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.	<b>Managing Director</b>
	xv. <b>“Month”</b> means Calendar month.	<b>Month</b>
	xvi. <b>“Office”</b> means the registered office for the time being of the Company.	<b>Office</b>
	xvii. <b>“Paid-up share capital”</b> 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-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.	<b>Paid-up share capital</b>
	xviii. <b>“Postal Ballot”</b> means voting by post or through any electronic mode.	<b>Postal Ballot</b>
	xix. <b>“Proxy”</b> includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.	<b>Proxy</b>
	xx. <b>“Public Holiday”</b> 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.	<b>Public Holiday</b>
	xxi. <b>“Registrar”</b> means the Registrar of Companies of the state in which the	<b>Registrar</b>

	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.	
	xxii. <b>“Rules”</b> means the applicable rules as prescribed under the relevant sections of the Act for time being in force.	<b>Rules</b>
	xxiii. <b>“SEBI”</b> means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	<b>SEBI</b>
	xxiv. <b>“Securities”</b> means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	<b>Securities</b>
	xxv. <b>“Share”</b> means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.	<b>Share</b>
	xxvi. <b>“Seal”</b> means the common seal of the Company.	<b>Seal</b>
	xxvii. <b>“Preference Share Capital”</b> , 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;	<b>Preference Share Capital</b>
	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.	<b>Share Capital</b>
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, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	<b>Issue of Sweat Equity Shares</b>
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	<b>Issue of Debentures</b>

	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.	
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 necessary;</p> <p>iii. Every certificate 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>	<b>Issue of Share Certificates</b>
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>	<b>Power to pay Commission In connection with the Securities issued</b>
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</p>	<b>Variations of</b>

	<p>whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	<b>Shareholder's rights</b>
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 <i>pari passu</i> 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.	<b>Issue of Preference Shares</b>
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>	<b>Further Issue of shares</b>
15.	<p>i. The Company shall have a first and paramount lien—</p> <p>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;</p> <p>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 a fixed time in respect of such shares</p> <p>Provided that the Board of directors may at any time declare any share to be</p>	<b>Lien</b>

	<p>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:          Provided that no sale shall be made—</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>	
17.	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>	
18.	<p>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>	
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> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>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.</p> <p>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 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)</p> <p>(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</p>	<p><b>Joint Holdings</b></p>

	<p>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>	<b>Calls on shares</b>
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 installments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
23.	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
24.	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
25	<p>The Board—</p> <p>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</p> <p>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</p>	

	<p>exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>	
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.	<p>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 of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>	<b>Transfer of shares</b>
30.	<p>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.</p>	
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> <p>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.</p> <p>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.</p>	
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <p>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> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <p>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</p>	



	matter.	
33.	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	
34.	On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:  Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year	
35.	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.	<b>Register of Transfers</b>
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:  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.  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"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 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.</li> </ul> <p>d. Rights of Depositories &amp; Beneficial Owners:- 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</p>	<b>Dematerialisation of Securities</b>

	<p>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 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>	<b>Transmission of Shares</b>
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="margin-left: 20px;">a. to be registered himself as holder of the share; or</p> <p style="margin-left: 20px;">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</p>	

	transferred the share before his death or insolvency.	
40.	<ul style="list-style-type: none"> <li>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</li> <li>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</li> <li>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.</li> </ul>	
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.	If a member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.	<b>Forfeiture of Shares</b>
44.	<p>The notice aforesaid shall—</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul>	
45.	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.	
46.	<ul style="list-style-type: none"> <li>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</li> <li>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ul>	
47.	<ul style="list-style-type: none"> <li>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</li> <li>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.</li> </ul>	
48.	<ul style="list-style-type: none"> <li>i. A duly verified declaration in writing that the declarant is a director, the</li> </ul>	

	<p>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 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.	<b>Initial payment not to preclude forfeiture</b>
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.	
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,— <ul style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>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;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> </ul>	<b>Alteration of capital</b>

	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.	<p>Where shares are converted into stock,—</p> <p>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> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>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.</p> <p>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.</p>	<b>Conversion of Shares into Stock</b>
59.	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <p>i. its share capital;</p> <p>ii. any capital redemption reserve account; or</p> <p>iii. Any share premium account.</p>	<b>Reduction of Capital</b>
60.	<p>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 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</p>	<b>Share Warrants</b>

	<p>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"> <li>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</li> <li>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.</li> </ol> <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"> <li>a. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>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;</li> <li>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</li> <li>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol> <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>	<p><b>Capitalisation of profits</b></p>

62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <ol style="list-style-type: none"> <li>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</li> <li>b) generally to do all acts and things required to give effect thereto.</li> </ol> <p>ii. The Board shall have power—</p> <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol> <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.	<b>Buy-back of shares</b>
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>	<b>General Meeting</b>
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> <ol style="list-style-type: none"> <li>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.</li> <li>ii. In any other case, the quorum shall be decided as under: <ol style="list-style-type: none"> <li>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;</li> <li>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</li> </ol> </li> </ol>	<b>Proceedings at general meetings</b>

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.	
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.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</li> </ul>	<b>Demand for poll</b>
73.	<ul style="list-style-type: none"> <li>i. A poll demanded on a question of adjournment shall be taken forthwith.</li> <li>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 direct.</li> </ul>	<b>Time of taking poll</b>
74.	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	<b>Adjournment of meeting</b>
75.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— <ul style="list-style-type: none"> <li>i. on a show of hands, every member present in person shall have one vote; and</li> <li>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.</li> </ul>	<b>Voting rights</b>
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"> <li>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.</li> <li>ii. For this purpose, seniority shall be determined by the order in which the</li> </ul>	



	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"> <li>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.</li> <li>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</li> </ul>	
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.	<b>Casting Vote</b>
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.	<b>Representation of Body Corporate</b>
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	<b>Circulation of member's resolution</b>
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	<b>Resolution requiring special notice</b>
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.	<b>Resolutions passed at adjourned meeting</b>
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.	<b>Registration of resolutions and agreements</b>
90.	<ul style="list-style-type: none"> <li>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</li> </ul>	<b>Minutes of proceedings of general</b>

	<p>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, 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>a. the names of the Directors present at the meetings, and</p> <p>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>iii. 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>is or could reasonably be regarded, as defamatory of any person is irrelevant or immaterial to the proceedings; or in detrimental to the interests of the Company.</p> <p>iv. 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>	<b>meeting and of Board and other meetings</b>
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.	<b>Minutes to be considered to be evidence</b>
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.	<b>Publication of reports of proceeding of general meetings</b>
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.	<b>Proxy</b>
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	

	<p>shares in respect of which the proxy is given:</p> <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>Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.</p> <p>The Present directors of the Company are:</p> <ol style="list-style-type: none"> <li>1. Jayeshbhai Chhabildas Shah</li> <li>2. Deepaben Jayeshbhai Shah</li> <li>3. Shreyansh Vijaybhai Vora</li> <li>4. Rutvi Jayeshbhai Shah</li> <li>5. Jigar Dipakbhai Mehta</li> </ol>	<b>Board of Directors</b>
97.	The Directors need not hold any “Qualification Share(s)”.	
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:</p> <p>He may 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"> <li>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.</li> <li>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"> <li>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. in connection with the business of the company.</li> </ol> </li> </ol>	
100.	The Board may pay all expenses incurred in getting up and registering the company	
101.	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.	
102.	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.	
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.	<b>Retirement and Rotation of Directors</b>
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 wholetime or non-wholetime (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.	
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	

	<p>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.</p>	
114.	<p>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.</p> <p>Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.</p>	
115.	<p>Provided also that in the event of the Nominee Directors being appointed as Wholetime 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.</p>	
116.	<p>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.</p>	<b>Removal of Directors</b>
117.	<p>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.</p>	
118.	<p>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.</p>	
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> <ol style="list-style-type: none"> <li>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</li> <li>(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:</li> </ol> <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</p>	

	application to be paid in whole or in part by the director notwithstanding that he is not a party to it.	
120.	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.	
121.	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.	
122.	If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:  Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors	
123.	Nothing in this section shall be taken- 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 contract or terms of his appointment as director, or of any other appointment terminating with that as director; or b) as derogating from any power to remove a director under other provisions of this Act.	
124.	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.  In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them. 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 b. In connection with the business of the Company.	<b>Remuneration and sitting fees to Directors including Managing and whole time Directors</b>
125.	Director (other than Managing Director & Whole-Time Directors) 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.	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.  a. The power to make calls on shareholders in respect of money unpaid on their shares; b. The Power to authorize buy-back of securities under Section 68 of the Act. c. Power to issue securities, including debenture, whether in or outside India d. The power to borrow moneys	<b>Powers and duties of Directors:</b>  <b>Certain powers to be exercised by the Board only at meeting</b>

	<p>e. The power to invest the funds of the Company,  f. Power to Grant loans or give guarantee or provide security in respect of loans  g. Power to approve financial statements and the Board's Report  h. Power to diversify the business of the Company  i. Power to approve amalgamation, merger or reconstruction  j. Power to take over a Company or acquire a controlling or substantial stake in another Company  k. Powers to make political contributions;  l. Powers to appoint or remove key managerial personnel (KMP);  m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;  n. Powers to appoint internal auditors and secretarial auditor;  o. Powers to take note of the disclosure of director's interest and shareholding;  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;  q. Powers to invite or accept or renew public deposits and related matters;  r. Powers to review or change the terms and conditions of public deposit;  s. Powers to approve quarterly, half yearly and annual financial 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</p>	<p><b>Restriction on powers of Board</b></p>

	<p>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 preceding.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <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.	<b>General powers of the Company vested in Directors</b>
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:	<b>Specific powers given to Directors</b>
	<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>	



	<ul style="list-style-type: none"> <li>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, 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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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 account from time to time as the Directors may think fit;</li> <li>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;</li> </ul>	
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	<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, 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</p>	
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	<p>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 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>	
<p>131.</p>	<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><b>MANAGING DIRECTORS</b></p> <p><b>Power to appoint Managing or Whole-time Directors</b></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.	
132.	a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. 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.	<b>Proceedings of the Board</b>
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	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. b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	
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.	a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. 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.	
138.	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. 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.	<b>Delegation of Powers of Board to Committee</b>
139.	a) A committee may elect a Chairperson of its meetings. 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.	
140.	a) A committee may meet and adjourn as it thinks fit. 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.	
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.	Subject to the provisions of the Act,—	<b>Chief Executive Officer, Manager,</b>

	<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>	<b>Company Secretary or Chief Financial Officer</b>
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.	No Common Seal is required as per the provisions of Companies Act, 2013.	<b>The Seal</b>
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
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.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	
149.	<p>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.</p> <p>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.</p> <p>c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<b>Dividends and Reserve</b>
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.	No dividend shall bear interest against the Company.  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;	
155.	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.  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.	
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>	<b>Accounts</b>
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> <p>i. be kept at the registered office of the Company, and</p> <p>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> <p>Provided however that any person willing to inspect the minutes 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>	<b>Inspection of Statutory Documents of the Company</b>
160.	<p>Register of charges:</p> <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</p>	

	<p>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> <p>a. by any member or creditor without any payment of fees; or</p> <p>b. by any other person on payment of such fees as may be prescribed,</p> <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>	
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>	<b>Audit</b>
162.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>a) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</p>	<b>Winding up</b>
163.	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—</p>	<b>Indemnity</b>
164.	<p>(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.</p> <p>(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</p>	<b>Secrecy</b>

	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.	
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## 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 which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

#### Material Contracts

1. Agreement dated March 05, 2018 between our Company and Hem Securities Limited as Lead Manager to the Issue.
2. Agreement dated February 27, 2018 executed between our Company and the Registrar to the Issue (Bigshare Service Pvt. Ltd.)
3. Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, Lead Manager 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. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated June 21, 2001 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Havelli.
3. Fresh Certificate of Incorporation dated February 07, 2018 issued by the Registrar of Companies, Ahmedabad consequent upon Conversion of the Company to Public Company.
4. Copy of the Board Resolution dated February 21, 2018 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated February 26, 2018 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the period ended December 2017 and years ended March 31, 2017, 2016, 2015, 2014 & 2013.
7. Peer Review Auditors Report dated February 28, 2018 on Restated Financial Statements of our Company for the period ended December 2017 and years ended March 31, 2017, 2016, 2015, 2014 & 2013.
8. Copy of the Statement of Tax Benefits dated February 22, 2018 from the Statutory Auditor.
9. Consents of the Lead Manager, Legal Advisor to the Issue, 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.
10. Copy of Certificate from the Peer Review Auditors of our Company, J.B. Shah & Co., Chartered Accountant dated February 28, 2018 regarding the Eligibility of the Issue.
11. Board Resolution dated March 20, 2018 for approval of Draft Prospectus, dated [●] for approval of Prospectus
12. Due Diligence Certificate from Lead Manager dated March 20, 2018
13. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the SME Platform of the NSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

**DECLARATION**

We, the person/persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY**

Sd/- \_\_\_\_\_  
**Mr. Jayeshbhai Chhabildas Shah**  
*Chairman & Managing Director*  
DIN: 00500814

Sd/- \_\_\_\_\_  
**Mrs. Deepaben Jayeshbhai Shah**  
*Whole Time Director*  
DIN: 01981533

Sd/- \_\_\_\_\_  
**Ms. Rutvi Jayeshbhai Shah**  
*Non Executive Director*  
DIN: 08071124

Sd/- \_\_\_\_\_  
**Mr. Shreyansh Vijaybhai Vora**  
*Independent Director*  
DIN: 08034487

Sd/- \_\_\_\_\_  
**Mr. Jigar Dipakbhai Mehta**  
*Independent Director*  
DIN: 08051320

**SIGNED BY THE COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER OF THE COMPANY:**

Sd/- \_\_\_\_\_  
**Ms. Sejal Hareshbhai Shah**  
*Company Secretary and Compliance Officer*

Sd/- \_\_\_\_\_  
**Mr. Amitbhai Jamnadas Vaghajiyani**  
*Chief Financial Officer*

**Place: Morbi**

**Date: 20-03-2018**