



## PRIME CUSTOMER SERVICES LIMITED

CIN: U51109GJ2007PLC050404

Our Company was incorporated as Prime Customer Services Private Limited on March 30, 2007 under the Companies Act, 1956 bearing Registration No. 050404 and having its Registered Office in Ahmedabad, Gujarat. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Prime Customer Services Limited vide special resolution dated February 28, 2008. A fresh Certificate of Incorporation consequent upon change of name was issued on March 25, 2008 by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. The Company's Corporate Identity Number is U51109GJ2007PLC050404. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter "History and Certain Corporate Matters" on page no. 112 of this Prospectus.

**Registered Office:** 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmedabad, Gujarat – 380 022.

**Tel Fax No.:** +91- 79 - 2532 0300; **Email:** cs@primecustomer.co.in; **Website:** www.primecustomer.co.in

**Contact Person:** Ms. Kruti Sheth, Company Secretary and Compliance Officer.

**Our Promoters:** Mr. Jinen Ghelani; Mr. Hiren Ghelani and NH Time Investments Research Pvt. Ltd.

### THE ISSUE

**PUBLIC ISSUE OF 12,14,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF PRIME CUSTOMER SERVICES LIMITED ("PCSL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ 60 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 728.40 LAKHS ("THE ISSUE") CONSISTING OF FRESH ISSUE OF 4,50,000 EQUITY SHARES AGGREGATING TO ₹ 270.00 LAKHS AND AN OFFER FOR SALE OF 7,64,000 EQUITY SHARES BY THE SELLING SHAREHOLDERS AGGREGATING TO ₹ 458.40 LAKHS ("OFFER FOR SALE"), OF WHICH 62,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 11,52,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 34.76% AND 32.98%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

### THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS 6.00 TIMES OF THE FACE VALUE

**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 see "Issue Related Information" beginning on page no. 202 of this 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 no. 210 of this Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Company, there has been no formal market for the securities of the Company. The face value of the shares is ₹ 10 per Equity Share and the Issue Price is 6.00 times of the face value. The Issue Price (as determined by Company and the Selling Shareholders in consultation with the Lead Manager) as stated under the paragraph on "Basis for Issue Price" on page no. 66 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. 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 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 the contents of this Prospectus. **Specific attention of the Investors is invited to the statement of Risk Factors given on page no. 10 of this Prospectus under the Section "Risk Factors".**

### COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each Selling Shareholder, severally and not jointly, assumes responsibility only for statements in relation to such Selling Shareholder included in this Prospectus.

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). Our Company has received an approval letter dated August 08, 2016 from BSE for listing our shares on the SME Platform of the BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE"). A copy will be delivered for registration to the Registrar of Companies as required under Section 26 & 28 of the Companies Act, 2013.

#### LEAD MANAGER TO THE ISSUE



**ARYAMAN FINANCIAL SERVICES LIMITED**  
60, Khatau Building, Ground Floor,  
Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001  
Tel No.: +91 – 22 – 6216 6999  
Fax No.: +91 – 22 – 2263 0434  
Email: info@afsl.co.in  
Website: www.afsl.co.in  
Investor Grievance Email: feedback@afsl.co.in  
Contact Person: Mr. Vimal Maniyar  
SEBI Registration No. INM000011344

#### REGISTRAR TO THE ISSUE



**BIGSHARE SERVICES PRIVATE LIMITED.**  
E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri (E), Mumbai - 400 072.  
Tel: +91 – 22 – 4043 0200;  
Fax: +91 – 22 – 2847 5207  
Email: ipo@bigshareonline.com;  
Website: www.bigshareonline.com  
Investor Grievance Email: investor@bigshareonline.com;  
Contact Person: Mr. Ashok Shetty  
SEBI Registration No.: INR000001385

#### ISSUE OPENS ON

**MARCH 20, 2017**

#### ISSUE CLOSSES ON

**MARCH 23, 2017**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### General Terms

Term	Description
Prime Customer Services Ltd / PCSL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Prime Customer Services Ltd, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Ahmadabad, Gujarat.
Promoter(s)	The Promoters of our Company: <ul style="list-style-type: none"> <li>Mr. Jinen Ghelani</li> <li>Mr. Hiren Ghelani</li> <li>NH Time Investments Research Pvt. Ltd.</li> </ul>
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled “Our Promoters, Promoter Group and Group Companies” on page no. 132 of this Prospectus.
Group Companies	<ul style="list-style-type: none"> <li>NH Time Investments Research Pvt. Ltd.</li> <li>Prosperity Securities Pvt. Ltd.</li> </ul>
Subsidiaries	<ul style="list-style-type: none"> <li>Florens Farming Private Limited</li> </ul>

#### Company related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Prime Customer Services Ltd
Auditor of the Company (Statutory Auditor)	M/s. O. P. Bhandari & Co., Chartered Accountants, having their office at 30, Omkar House, C. G. Road, Navrangpura, Ahmedabad- 380 009
Audit Committee	The Audit Committee constituted by our Board of Directors on May 25, 2016.
Board of Directors / Board	The Board of Directors of Prime Customer Services Ltd, including all duly constituted Committees thereof.
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
Company Secretary and Compliance Officer	Ms. Kruti Sheth
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Prime Customer Services Ltd, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
Equity Shareholders	Persons holding Equity Share of our Company
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Prime Customer Services Ltd
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA 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.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability

Term	Description
	Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter / Core Promoter(s)	The Promoters of our Company: <ul style="list-style-type: none"> <li>• Mr. Jinen Ghelani</li> <li>• Mr. Hiren Ghelani</li> <li>• NH Time Investments Research Pvt. Ltd.</li> </ul>
Promoter Group	Promoter Group consist of Individuals, HUFs, Companies, Firms, etc. as mentioned in the chapter titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page no. 132 of this Prospectus.
Registered Office	The Registered Office of our Company which is located at: 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmadabad, Gujarat – 380 022.
RoC	Registrar of Companies, Ahmadabad, Gujarat.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.

#### Issue related Terms

Term	Description
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders.
Allottees	The successful applicant to whom the Equity Shares are being / have been Allotted.
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form.
Banker(s) to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled “ <i>General Information</i> ” on page no. 39 of this Prospectus
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being Axis Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page no. 210 of this Prospectus.
Business Day	Monday to Friday (except public holidays)
BSE	BSE Limited
Category III FPI	Investors including endowments, charitable societies, charitable trusts, foundations, corporate bodies, trust, individuals and family offices which are not eligible for registration under Category I and II under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the ASBA Applicants

Term	Description
	with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
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
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Issue Account.
Designated Market Maker	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated Locations CDP	Such locations of the CDPs where Applicants 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
Designated Locations RTA	Such locations of the RTAs where Applicants 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
Designated Stock Exchange	SME Exchange of BSE Limited
Eligible NRIs	An NRI from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the Equity Shares.
Equity Shares	Equity shares of our Company of ₹ 10 each
Escrow Agreement	Agreement dated August 23, 2016 entered into amongst the Company, the Lead Manager, the Selling Shareholders, the Registrar to the Issue and the Banker to the Issue to receive monies from the ASBA Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Fresh Issue	The Fresh Issue of 4,50,000 Equity Shares by our Company of ₹ 10 each aggregating to ₹ 270.00 lakhs, to be issued by our Company for subscription pursuant to the terms of the Prospectus.
Issue / Issue Size / Public Issue / IPO	This Initial Public Offer of 12,14,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60 per equity share (including a share premium of ₹ 50 per equity share) aggregating to ₹ 728.40 lakhs consisting of the Fresh Issue by our Company and Offer for Sale by the Selling Shareholders.
Issue Closing date	The date on which the Issue closes for subscription being March 23, 2017
Issue Opening date	The date on which the Issue opens for subscription being March 20, 2017
Issue Price	The price at which the Equity Shares are being offered by our Company and the Selling Shareholders in consultation with the Lead Manager under this Prospectus being ₹ 60.
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 59 of this Prospectus
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker Reservation Portion	The reserved portion of 62,000 Equity Shares of ₹ 10 each at ₹ 60 per Equity Share

Term	Description
	aggregating to ₹ 37.20 lakhs for the Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated May 26, 2016 and addendum dated August 19, 2016.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Net Issue of 11,52,000 Equity Shares of ₹ 10 each at ₹ 60 (including share premium of ₹ 50) per Equity Share aggregating to ₹ 691.20 lakhs by our Company and Offer for Sale by the Selling Shareholders
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the ASBA accounts on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Applying and does not include FVCIs and multilateral and bilateral institutions.
Registrar/ Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
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
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Regulation / SEBI (ICDR) Regulations / SEBI Regulations	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 (PFUTP) Regulations / PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended.
Self Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
Selling Shareholders	<ul style="list-style-type: none"> <li>• Mr. Jinen Ghelani</li> <li>• Mr. Hiren Ghelani</li> <li>• NH Time Investments Research Pvt. Ltd.</li> <li>• Mr. C. C. Ghelani</li> <li>• Mr. Hardik Ghelani</li> </ul>
Share Escrow Agent	Share Escrow agent appointed pursuant to the Share Escrow Agreement, being Bigshare Services Private Limited
Share Escrow Agreement	Agreement dated August 18, 2016 entered into between the Selling Shareholders, our Company, the Escrow Agent and the Lead Manager in connection with the transfer of



Term	Description
	Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees.
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among the Underwriters, the Selling Shareholders and our Company dated May 26, 2016 and addendum dated August 19, 2016.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

#### Technical / Industry related Terms

Term	Description
3PL	Third Party logistics
°C	Degree Celsius
APEDA	Agricultural and Processed Food Products Export Development Authority
APMC	Agricultural Produce Marketing Committee
CAGR	Compound Annual Growth Rate
C&F	Clearing and Forwarding
CH	Cold Storage Hubs
CPI	Consumer Price Index
CS	Cold Storage Bulk
CWC	Central Warehousing Corporation
DAC & FW	Department of Agriculture, Cooperation & Farmers Welfare
DAC	Department of Agriculture and Cooperation
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EMDE	Electronic Medical Data Exchange
FCI	Food Corporation of India
FE	Retail/ Front end
FMCG	Fast Moving Consumer Goods
F&V	Fruits and Vegetables
GDP	Gross Domestic Product
GST	Goods and Service Tax
GVA	Gross Value Added
Ha	Hectares
HMNEH	Horticulture Mission for North East and Himalayan States
HoReCa	Hotel, Restaurant, Café
IMF	International Monetary Fund
MIDH	Mission for Integrated Development of Horticulture
MoA&FW	Ministry of Agriculture & Farmers Welfare
MoFPI	Ministry of Food Processing Industries
MT	Metric Ton
NCCD	National Centre for Cold-chain Development
NHB	National Housing Bank
NHM	National Health Mission
NS	National Statistics
NYSE	New York Stock Exchange
PACS	Primary Agriculture Co-operative Society
PH	Modern Pack House
PPM	Parts per Million
Q1/ 2/ 3/ 4	Quarter 1/ 2/ 3/ 4
Q-o-Q	Quarter on Quarter
QSR	Quick Service Restaurant

Term	Description
RBI	Reserve Bank of India
RC	Ripening Chamber
RTE	Ready To Eat
RT	Reefer Transport
SDRs	Special Drawing Rights
sq. ft	Square Foot
SWC	State Warehousing Corporations
TFCP	Task Force on Cold-chain Projects
UAE	United Arab Emirates
UK	United Kingdom
U.S.	United States of America
WEO	World Economic Outlook
WDRA	Warehousing Development and Regulatory Authority
Y-o-Y	Year Over Year

#### Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary
AEs	Advanced Economies
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
CAD	Current Account Deficit
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EOGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
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
FIPB	Foreign Investment Promotion Board
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
IPO	Initial Public Offering
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India



Term	Description
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rs. or ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI (LODR) Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

## **CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references to “India” contained in this Prospectus are to the Republic of India. In this Prospectus, our Company has presented numerical information in “lakhs” units. One lakhs represents 1,00,000.

### **Financial Data**

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2016, 2015, 2014, 2013 and 2012 and for six months period ended September 30, 2016 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS 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 the section titled “*Risk Factors*”, chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 10, 88 and 165 of this Prospectus, respectively, and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

### **Currency, Units of Presentation and Exchange Rates**

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Prospectus may contain 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 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.

### **Definitions**

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 258 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### **Industry and Market Data**

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “seek to” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward-looking statements.

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.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Cold Storage industry in India where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our inability to manage our growth effectively, especially as we expand our storage capacity;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Our inability to renew rents for our Properties used for business activities or conduct new rent arrangements on commercially acceptable terms;
- Inability to adequately protect our trademarks;
- Changes in consumer demand;
- Failure to successfully upgrade our products and service portfolio, from time to time; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 10, 88, and 165 of this Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Prospectus. Our Company, the Selling Shareholders, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company, the Selling Shareholders 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 approvals by the Stock Exchange.

## SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in the Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the section titled “*Business Overview*” beginning on page no. 88, “*Industry Overview*” beginning on page no. 76 and “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page no. 165 and the section titled “*Financial Information*” beginning on page no. 142 as well as the other financial and statistical information contained in the Prospectus. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business, financial condition and results of operations. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence the same has not been disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including the risks involved.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.

### **Materiality**

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

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

### **Internal Risk Factors**

- There are outstanding legal proceedings involving our Company. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums.


Mentioned below are the details of the proceedings pending against our Company as on the date of this Prospectus along with the amount involved, to the extent ascertainable/quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on March 06, 2016.


#### ***a. Litigations / Proceedings filed against our Company:***

Sr. No.	Nature of Matter	No. of Matters	Amount (to the extent quantifiable) ( ₹ in lakhs)
1.	Litigation involving Labour Laws	7	Unascertainable

Any developments in the proceedings, such as a change in Indian law or rulings against our Company by appellate courts or tribunals may constrain us to make provisions in our financial statements that could increase our expenses and current liabilities and the same may result in an adverse material impact on our business, goodwill, results of operations and financial condition. For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page no. 178 of this Prospectus.

2. ***We require number of approvals, licenses, registrations and permits for our business and are required to comply with certain rules, regulations and conditions to operate our business and failure to obtain, retain or renew such approvals and licenses in a timely manner or to comply with the requisite rules, regulations and conditions may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. As on date of this Prospectus, our Company has applied for and/or is in the process of applying for registration of the following approvals: (i) Registration of our logos “”

and “”; (ii) License and Registration under rule 27 of the Legal Metrology (Packaged Commodities) Rules, 2011; and (iii) Renewed Certificate of Registration under Gujarat Shops and Establishment Act, 1948, in respect of the Company’s premises located at 41/6 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmedabad, Gujarat – 380 022. There can be no assurance that the relevant authorities will issue any or all requisite permits or approvals in the time frame anticipated by us, or at all. Non-renewal of the permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business and financial condition. For further details, please refer to the chapters titled “*Key Regulations and Policies*” and “*Government and Other Key Approvals*” beginning on page nos. 102 and 185, respectively, of this Prospectus.

3. ***We currently have low operating margins.***

Our business is a high volume and low margin business. Our different operating margin parameters are as follows:

(₹ in lakhs)

Parameter	Period ended September 30, 2016	FY 2016	FY 2015	FY 2014
Total Income	1,391.77	2,104.66	1,961.88	1,747.65
PBT as a % of Total Income	2.55%	1.87%	0.62%	0.82%
PAT as a % of Total Income	1.83%	1.29%	0.42%	0.56%

If we are unable to add high margin items such as modern trade, fruit supply contracts, etc. in addition to the existing manpower services, general trade and other business verticals, a unplanned expenditure or loss of business could adversely affect our net profit margins and hence affect our results and financial condition.

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

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. In the event of an increase in expenditure and increased fund requirements, we will seek to meet these increased requirements by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If such surplus funds are unavailable, we will seek to meet these increased requirements through our internal accruals and additional debt. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management’s current expectations and are subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

Our Company has entered into certain transactions with our related parties including our Promoters, the Promoter Group, our Directors, their relatives and Group entities. While we believe that all such transactions have been conducted on the arms length basis, there can be no assurance that we could not have been achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter “Annexure XXI of Related Party Transactions” beginning on page no. 160 of this Prospectus.

**6. We have not made any alternate arrangements for meeting our working capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

As on date, we have not made any alternate arrangements for meeting our working capital requirements for the Objects of the Issue. We meet our capital requirements through our owned funds, internal accruals and debt. Any shortfall in our net owned funds, internal accruals and our inability to raise debt would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page no. 59 of this Prospectus.

**7. The funds proposed to be utilised for general corporate purposes constitute 23.70% of the Fresh Issue Proceeds**

The Company intends to use the Fresh Issue Proceeds for the purposes described in the section titled “Objects of the Issue” on the page 59 of this Prospectus. Our Company intends to utilise ₹ 64.00 lakhs constituting 23.70% of the Fresh Issue Proceeds towards general corporate purposes. The Objects for which we will be using this amount shall include capital expenditure for the various operation of our Company, strategic initiatives, meeting exigencies, brand building exercises or any other purposes as approved by our Board. As of date, our Board has not yet authorised any specific commitments or acts, with respect to utilisation of the portion of the Fresh Issue Proceeds which will be used for the general corporate purposes.

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

The details of Cash flows of the Company as restated are as follows:

(₹ in lakhs)

Particulars	Period ended Sep-16	Financial Year Ended				
		Mar-15	Mar-15	Mar-14	Mar-13	Mar-12
Net Cash flow from Operating Activities	(30.31)	(66.68)	(35.93)	40.09	105.34	(101.05)
Net Cash Flow from Investing Activities	(6.37)	(5.16)	(4.76)	(2.47)	(158.87)	(14.38)
Net Cash Flow From Financing Activities	39.70	64.95	46.90	(28.84)	103.98	123.14

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

**9. We are dependent on our Individual Promoters, Mr. Jinen Ghelani and Mr. Hiren Ghelani for their expertise and market goodwill. Our separation, if any, from our Promoters may adversely affect our business.**

We are dependent on our Individual Promoters, Mr. Jinen Ghelani and Mr. Hiren Ghelani for their expertise and market goodwill and our separation from our Promoters may adversely affect our business. We believe that our Promoters lend strength to the trust and reliability reposed in us and enables us to attract and retain fresh talent. Our separation, if any, with our Promoters for any reasons whatsoever shall adversely affect our business and results of operations.



**10. Our Corporate Promoter and our Group Company has made losses in the past.**

Following of our Corporate Promoter and our Group Company have incurred losses in the past three years:


(₹ in lakhs)



Name of Company	Profit / (Loss) after Tax		
	March 31, 2016	March 31, 2015	March 31, 2014
NH Time Investments Research Pvt. Ltd. (Promoter)	(4.48)	(3.21)	(6.49)
Prosperity Securities Pvt. Ltd. (Group Company)	0.37	3.92	(0.42)

Even though these losses are not substantial in amount terms, sustained losses in the future by this company may further erode their losses and hence this may affect our promoter's financial capabilities and goodwill.

**11. Intellectual property rights are important to our business. Any inability to protect to protect our intellectual property rights from being infringed by others, including our current and / or future competitors/employees may adversely affect our business and growth prospects.**

All our patents, trademarks and copyrights are our material assets and are crucial to our business operations. As on the

date of this Prospectus, the trademark, name and logo “” does not belong to us. The said trademark belongs to our promoter group member, Mr. Hardik Ghelani and we make use of it through an informal arrangement with our promoter group member. If Mr. Hardik Ghelani withdraws, refuses to renew or terminates this arrangement, we will not be able to make use of the said trademark, name or logo in connection with our business and consequently, we may be required to invest significant resources in changing our logo which may adversely affect our reputation and business.

Additionally, our Company has filed “” and “” trademarks applications for the registration of certain marks and words. Our Company may be required to resort to litigations or other proceedings to enforce, protect or determine the validity and scope of our intellectual property rights, in respect of the aforesaid trademarks in the event they are objected to by concerned parties, and to defend against third party infringements, which may be expensive and resource-consuming and may also create uncertainty regarding the ownership of such rights. Although, we believe that that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. For further details pertaining to our intellectual property, please refer to the chapter titled “*Business Overview*” beginning on page no 88 of this Prospectus.

**12. We have not entered into any long-term agreements with our suppliers for traded goods and accordingly may face disruptions in supply from our current suppliers**

We procure our traded goods from various farmers. However, we have only Oral agreement with them and no specific agreement / MoU have been entered into between our Company and our supplier and we typically transact on an invoice basis for each order. Being the food items and also perishable in nature, entering into long term contracts are not viable. These suppliers have accorded these dealerships based on trust, service and the ready finance provided by us. In the absence of written agreements, our suppliers can withdraw their oral dealership from us at any time. There can be no assurance that there will not be a significant disruption in the supply of these traded goods from current sources, including our agencies, or, in the event of a disruption, that we would be able to locate alternative suppliers of the goods of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, consistency, responsiveness and service, financial stability and other ethical practices.

Any delay, interruption or increased cost in the supply of traded goods thereof pertaining to our products arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

**13. *Our Promoters have given personal guarantees and properties in relation to debt facilities availed by us from our Banker***

The Promoters of our Company namely, Mr. Jinen Ghelani and Mr. Hiren Ghelani have given personal guarantees and properties in relation to secured debt facilities availed from our Banker. In an event our Promoter/Promoters withdraws or terminates his/their guarantee or property, the lender for such facilities may ask for alternate guarantees and / or securities, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees / securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

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

We do not own the premises on which our registered office is situated. Our Company operates from rented and leased premises at various locations. Further, the lease agreements for our properties located at Jamalpur and Ambavadi in Ahmadabad are not registered. Our Promoter, Mr. Hiren Ghelani has also leased out the Ambavadi property to our Company. If any of the owners of these premises do not renew the agreements or renews such agreements on terms and conditions that are unfavorable to our Company, it may suffer a disruption in our operations or we may have to pay increased rentals which could have a material adverse effect on our business, financial condition and results of operations. For more information, please refer chapter titled “Business Overview” on page no. 88 of this Prospectus.

**15. *We operate from a leased premise for which we do not have any formal agreement.***

We operate from a leasehold premises namely, GF-5, Kisan Dayal Market, Naroda Fruit Market, Naroda, Ahmadabad – 382330 which is provided by the lessor for our business purpose. We have not entered into any formal agreement with the lessor of this premise. However, we do have an oral agreement and we have been using this premise for almost 6 years. We believe that our relation with the lessor is cordial as of now, but in absence of the formal agreement, we may be asked to vacate the premises with a shorter notice or there could be increase in the rentals of such premises, which will adversely affect our operations and financial condition. For more information, please refer chapter titled “Business Overview” on page no. 88 of this Prospectus.

**16. *There have been inconsistencies in occupation of one of our property.***

We occupy a property located at 102, Sanskar Complex-II, Near Ketav Petrol Pump, Polytechnic Road, Ambavadi, Ahmadabad – 380015 given on lease by our Promoter, Mr. Hiren Ghelani. The term of the agreement is from January 1, 2013 up to December 31, 2021. The said agreement is not registered. However, due to lack of requirement, we discontinued the occupation of the said premises for a period beginning from July 1, 2015 to December 31, 2015 and did not paid the rent for the same. With effect to January 1, 2016, we are again occupying the said premises with the terms and conditions of the old agreement and no new agreement is executed for the same. If such inconsistency of occupation continues in the future, our Promoter may terminate the said lease agreement with us and we would be required to vacate the premises with shorter notice. In such case, we will have to search for new property which may come at higher costs or we may have to pay the rent for the period the property was not occupied by us to continue with the property, thereby adversely affecting our financial condition. For more information, please refer chapter titled “Business Overview” on page no. 88 of this Prospectus.

**17. *We have not made any provisions for decline in value of our Investments***

As on September 30, 2016 and March 31, 2016 for both the year, we hold investments in Unquoted Equity Instruments aggregating to ₹ 16.05 lakhs as per Restated Financial Statements. We have not made any provision for the decline in value of these investments and hence as and when these investments are liquidated, we may book losses based on the actual value we can recover for these investments and if lower than the cost, the same could adversely affect our results of operations.

**18. *We have high working capital requirements for our business operations. In case of our inability to obtain the requisite additional working capital facilities from the proposed IPO proceeds, our internal accruals/cash flows would be adversely affected, and consequently our operations, revenue and profitability.***

Our business requires a substantial amount of working capital for our business operations. We would require additional working capital facilities in the future to satisfy our working capital need which is proposed to be met through the IPO

proceeds. In case of our inability to obtain the requisite additional working capital finance, our internal accruals/cash flows would be adversely affected to that extent, and consequently affect our operations, revenue and profitability.

**19. Fluctuating prices of fruits and vegetables may affect our operations**

We procure fruits and vegetables mainly from domestic markets at the existing market rates. However, the prices of these materials are subject to rapid fluctuations owing to changes in production, demand-supply forces and consumption pattern which are not within our control. Due to the perishable nature of the products, we may not be able to pass the increased prices of our products to the consumers leading to reduced margins or possibility of losses, thereby having adverse impact on our business, financial conditions and results of operations.

**20. We have issued Equity Shares during the last year at a price that may be below the Issue Price.**

We have issued certain Equity Shares in the last twelve months, at a price that may be lower than the Issue Price. Details of such issuances are given in the table below:

Date of Allotment	No. of Equity Shares	Issue Price (₹)	Nature of Allotment	Allotted Person
May 21, 2016	15,21,000	Nil	Bonus Allotment	Allotted to all the Shareholders of the Company

For Further details of equity shares issued, please refer to the section titled “*Capital Structure*” beginning on page no. 47 of this Prospectus.

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

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship and shareholding in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled “*Business Overview*” and “*Our Promoters and Promoter Group*”, beginning on page nos. 88 and 132 respectively and the chapter titled “*Annexure XXI Related Party Transactions*” on page no. 160 under chapter titled “*Financial Statements*” beginning on page no. 142 of this Prospectus.

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

As on September 30, 2016, our Company has outstanding secured loans of ₹ 256.16 lakhs from banks. As per our current financing arrangements with them, we are subject to certain restrictive covenants which require us to obtain their prior consent before undertaking certain corporate actions such as starting of new activities, change in capital structure, disposal of major fixed assets, etc.

**23. If we are unable to retain the services of our Key Managerial Personnel, our business and our operating results could be adversely impacted.**

Our Company is depending significantly on the expertise, experience and continued efforts of our key managerial personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. Our industry requires personnel with specific technical knowledge and experience for our trading and more particularly our subsidiary’s business.

Competition for Key Managerial Personnel in our industry is intense and it is possible that our Company may not be able to retain existing Key Managerial Personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of Key Managerial Personnel could adversely affect our business, results of operations and financial condition. For further details on the key managerial personnel of our Company, please refer to the chapter titled “*Our Management*” beginning on page no. 117 of this Prospectus.

**24. *Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

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. We are unable to assure you 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.

**25. *The shortage or non-availability of power may adversely affect the cold storage – cum - ripening processes and our performance may be affected adversely.***

Our business processes requires power, mainly uninterrupted. Our facilities may face power interruptions due to power cuts and as a result our operations or financial condition may be adversely affected. Further, the Company does not have any alternate source of power arrangement.

**26. *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 termination of our contracts, 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 and agents 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.

**27. *The loss of or shutdown of operations at our cold storage – cum - ripening unit may have a material adverse effect on our business, financial condition and results of operations.***

The breakdown or failure of our equipments and/ or civil structure can disrupt our production schedules, resulting in performance being below expected levels. In addition, the development or operation of our facilities may be disrupted for reasons that are beyond our control, including explosions, fires, earthquakes and other natural disasters, breakdown, failure or sub-standard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks, and labour disputes. Our cold storage – cum ripening unit is also subject to mechanical failure and equipment shutdowns. Our machineries may be susceptible to malfunction. If such events occur, the ability of our facilities to meet production targets may be adversely affected which may affect our business, financial condition and results of operations.

**28. *Our Promoters and Promoter Group will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

The current Issue includes fresh issue of Equity Shares and Offer for Sale by our Promoters and Promoter Group. Our Promoter and Promoter Group may beneficially own approximately 58.1% of our post-Issue equity share capital. As a result, the Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

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

We are insured for a number of the risks associated with our several businesses, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. We believe we have got our assets adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or

on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected. For details of the insurance coverage taken by us see “*Business Overview - Insurance*” on page no. 98 of this Prospectus.

**30. *We are subject to risks arising from exchange rate fluctuations.***

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Currently, our Company does not import any products. However, fluctuations in the exchange rates may affect the Company to the extent of goods exported by our Company. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company’s profitability.

**31. *Our Company has not paid any dividends till now and there can be no assurance that we will pay dividends in future. Our ability to pay dividends in the future will depend upon a variety of factors such as future earnings, financial condition, cash flows, working capital requirements, and restrictive covenants in our financing arrangements.***

Our Company has not paid any dividends till now and there can be no assurance that we will pay dividends in future. Our ability to pay dividends in the future will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our ability to pay dividends could also be restricted under the existing or certain financing arrangements that we may enter into.

**32. *Seasonality affects our operations and business.***

We deal in fresh fruits and vegetables. Such perishable products require certain season or weather conditions to grow and the same are consumed in certain other seasons also. Further, the perishableness also varies season to season. As regards to our trading business, our sale of particular product is dependent on the season. Also, our cold storage and ripening business is seasonal due the above mentioned reasons. Due to perishable nature of the products we deal in, seasonality and weather conditions do affect our business. However, we do take preventive measures for the same like curtailing procurement, storing products in cold storage chambers, etc., we can face financial losses due to the same.

**33. *Our business is dependent on performance of third-party transporters. Any failure on their part could affect our business operations.***

Timely delivery of our products is critical for our performance and we use third-party transporters for supply of our products to our customers / dealers. Any hindrance in the logistics network could cause an adverse effect on our receipt of supplies and our ability to deliver our products in time, which could adversely impact our business operations, our reputation in the market and may adversely affect our sales and results of operations.

**34. *Our growth strategy to expand into new geographic areas poses risks. We may not be able to successfully manage some or all of such risks, which may have a material adverse effect on our revenues, profits and financial condition.***

Currently, we have business operations in Gujarat and Maharashtra. We plan to expand geographically in to other states across India. Ours is a regulatory oriented business, we need approvals and license for almost all the activities we do. Every state has different laws pertaining to manpower, trading license, etc. and different mannerism of doing business. Our business is therefore significantly dependent on the general economic condition and activity in the states in which we operate, and the central, state and local Government policies relating to our industry. Although investment in the industry in the areas in which we operate has been encouraged, there can be no assurance that this will continue. We may expand geographically, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We may face additional risks if we undertake operations in other geographic areas in which we do not possess the same level of familiarity as competitors. If we undertake operations of different product than those currently is; we may be affected by various factors, including but not limited to: Adjusting our products to different geographic areas; Obtaining the necessary materials and labour in sufficient amounts and on acceptable terms; Obtaining necessary Government and other approvals in time or at all; Failure to realize expected synergies and cost savings; Attracting potential customers in a market in which we do not have significant experience; and Cost of hiring new employees and absorbing increased costs.



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

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We plan to increase exports by exploring new opportunities. We also plan to explore contract farming. We believe our experience and expertise will help us this, we may not be able to execute our strategies in time or at all in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long- term business outlook.

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

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

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

Our cold storage and ripening processes involve daily use of technical equipment's and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service contract with any competent third party. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and results of operations.

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

Demand and supply rule is purely applicable to dealings in perishable items. With regards to our trading business, much of the market in which we operate is unorganized and fragmented with many small and medium-sized entities. We face substantial competition for our products from other traders / dealers in domestic market. We compete with other traders / dealers on the basis of product range, product quality, and product price including factors, based on reputation, needs, and customer convenience. 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. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

**39. *We have not entered into any definitive arrangements to monitor the utilization of the Issue Proceeds.***

As per the SEBI ICDR Regulation 2009, appointment of monitoring agency is required only for Issue size above ₹ 50,000 lakhs. Hence we have not appointed any monitoring agency and the deployment of Issue Proceeds as stated in the "Objects of the Issue" on page no. 59 of this Prospectus are not subject to monitoring by any independent agency. Major portion of the net proceeds being raised through this Issue will be utilized for working capital requirements which are based on the management estimates.

**40. *Our Company will not receive any proceeds from the Offer for Sale portion.***

This Issue comprises of Offer for sale of 7,64,000 Equity Shares by our Promoters / Promoter Groups. The proceeds from the Issue pertaining to the above sale shares will be paid to the aforesaid persons in proportion of the Equity Shares offered by them in the Issue and we will not receive any proceeds from the Issue. For further details, please refer the chapter titled "Objects of the Issue" on page no. 59 of this Prospectus.



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

We are subject to various regulations and policies. We also avail subsidy from government with regards to our business. For details see section titled “Key Industry Regulations and Policies” beginning on page no. 102 of this Prospectus. Our business could be materially affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which would have a material adverse affect on our business, financial condition and results of operations.

**42. We and the Selling Shareholder may decide not to proceed with this Issue at any time before Allotment. If we decide not to proceed with the Issue after the Issue Opening Date but before Allotment, the refund of Application amounts deposited will be subject to us complying with our obligations under applicable laws.**

We and the Selling Shareholder, in consultation with the Lead Manager, reserve the right not to proceed with this Issue at any time before the Allotment. If we withdraw the Issue after the Issue Opening Date, we will be required to refund all Application amounts deposited within 6 days of the Issue Closing Date. We shall be required to pay interest at the rate of 15% per annum on the Application amounts received if refund orders are not dispatched within 6 days from the Issue Closing Date. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment and (ii) the final RoC approval.

**43. Any further issuance of Equity Shares by our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.**

Any future issuance of Equity Shares by our Company could dilute the investors’ shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

**44. There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.**

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the section titled “General Information – Details of the Market Making Arrangement for this Issue” on page no. 45 of this Prospectus.

***45. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.***

The Issue price based on numerous factors and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that you will be able to resell your Shares at or above the Issue Price. Among the factors that could affect our Share price are: quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

***46. You will not be able to sell immediately on stock exchange any of the Equity Shares you purchase in the Issue.***

Under the SEBI (ICDR) Regulations, we are permitted to allot equity shares within 6 days of the Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants until approximately 6 days after the Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approvals are received from the Stock Exchanges. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

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

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

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

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have only applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

## External Risk Factors

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

***50. All of our business functions are operated from India and a decrease in economic growth in India could cause our business to suffer.***

We operate all our business functions from India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. The Indian economy had a sustained growth over the last decade. However, the economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

***51. Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.***

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between nonresidents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**53. *Terrorist attack, war, natural disaster or other catastrophic events may disrupt or otherwise adversely affect the markets in which we operate our business and our profitability.***

Terrorist attacks may cause damage or disruption to our company, our employees, our facilities and our customers, which could impact our sales and results from operations. Any future terrorist attacks, the national and international responses to terrorist attacks, or other acts of war or hostility may cause greater uncertainty and cause our business to suffer in ways that we currently cannot predict.

**54. *Significant differences exist between Indian GAAP and other accounting principles, such as U. S. GAAP, IND AS and IFRS, which may be material to investors' assessments of our financial condition.***

Our financial statements, including the financial statements provided in this Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP, IND AS or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP, IND AS or IFRS. Each of U.S. GAAP, IND AS and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

**55. *Changing laws, rules and regulations and legal uncertainties, 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 unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business, including those relating to consumer protection, Internet and privacy. For details of the material laws currently applicable to us, please see the chapter titled "Key Industry Regulations and Policies" beginning on page no. 102 of this Prospectus.

There can be no assurance that the Government may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government 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 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 cash flows and in turn affect our results of operations.

**56. *The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.***

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

## PROMINENT NOTES

- Investors are free to contact the Lead Manager 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.
- The Net Worth of our Company is ₹ 396.19 lakhs and ₹ 370.69 and the book value of each Equity Share was ₹ 13.02 and ₹ 24.36 as of September 30, 2016 and March 31, 2016 as per our Restated Financial Statements. For more information, please refer the Section titled “*Financial Information*” beginning on page no. 142 of this Prospectus.
- Public Issue of 12,14,000 Equity Shares consisting of Fresh Issue of 4,50,000 and Offer for Sale of 7,64,000 Equity Shares by the Selling Shareholders for cash at price of ₹ 60 per share including a premium of ₹ 50 aggregating to ₹ 728.40 lakhs. The Issue will constitute 34.76% of the post-issue paid-up Equity Share capital of our Company.
- The average cost of acquisition per Equity Share by our Promoters is:

Name of Promoters	Average Cost (in ₹)
Mr. Jinen Ghelani	5.00
Mr. Hiren Ghelani	5.03
NH Time Investments Research Pvt. Ltd	5.00

- Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page no. 66 of this Prospectus.
- The details of transactions by our Company with our Related Parties / Associates / Group Companies, etc. during the last year are disclosed under “*Annexure XXI - Related Party Transactions*” on page no. 160 of this Prospectus.
- There are no financing arrangements whereby the Promoters, Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Prospectus.
- Our Company was incorporated as Prime Customer Services Private Limited on March 30, 2007 under the Companies Act, 1956, bearing Registration Number 050404 and having its Registered Office in Ahmedabad, Gujarat. The status of our Company was changed to a public limited company and the name of our Company was changed to Prime Customer Services Limited by a special resolution passed on February 28, 2008. A fresh certificate of incorporation consequent to the change of name was granted to our Company on March 25, 2008, by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Company’s Corporate Identity Number is U51109GJ2007PLC050404.
- Our Company, its Promoters / Directors, Selling Shareholders, Company’s Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, Company, Group Companies and Associate Companies are not declared as wilful defaulters and there are no violations of securities laws committed in the past or pending against them.
- The Lead Manager and our Company shall keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
- Except as disclosed in the section “*Objects of the Issue*”, “*Our Group Companies*” and “*Our Management*” beginning on page nos. 59, 132 and 117 of this Prospectus, respectively, none of the Promoters, Directors or Key management personnel have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.
- Other than as stated in the section titled “*Capital Structure*” on page no. 47 of this Prospectus, the Company has not issued any Equity Shares for consideration other than cash.

13. The Issue is being made in terms of regulation 106M (1) of SEBI (ICDR) Regulations, 2009, as amended. This being a fixed price issue, the allocation in the net issue to the public category shall be made as per sub clause (4) of Regulation 43 of the SEBI (ICDR) Regulations, 2009, as amended. For further details, please refer to the section titled "*Issue Structure*" beginning on page no. 208 of this Prospectus.
14. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Financial Statements. For details, please see the section titled "*Financial Information*" beginning on page no. 142 of this Prospectus.
15. In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Basis of Allotment*" beginning on page no. 246 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. 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.
16. Trading in Equity Shares for all investors shall be in dematerialized form only.



## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

#### *World Scenario*

It is a matter of satisfaction, we are second largest producer of vegetables and fruits and our presence in global market is significant. The different types of fruits are exported to the outside world. Grapes occupies the premier position in exports with 107.3 thousand tonnes valued ₹ 108,649 lakh. Other fruits which have attained significant position in exports are banana and mango. Exports of fresh vegetables (such as peas, potatoes) have been on the rise. However, export of fresh onion has declined from 17 to 12.4 lakh tonnes over the last three years. The development achieved in the horticulture sector is indicative of the fact that there is growing demand for horticulture produce. The past experience have been rewarding for enhanced output from the investment. Availability of timely robust information in this sector will certainly improve the socioeconomic conditions of Indian citizens by providing self-reliance besides environmental protection.

#### **Cold Storage**

#### *Product Segmentation*

The various goods which require cold-chain facilities were segmented into broad product segments, listed in Figure 6:

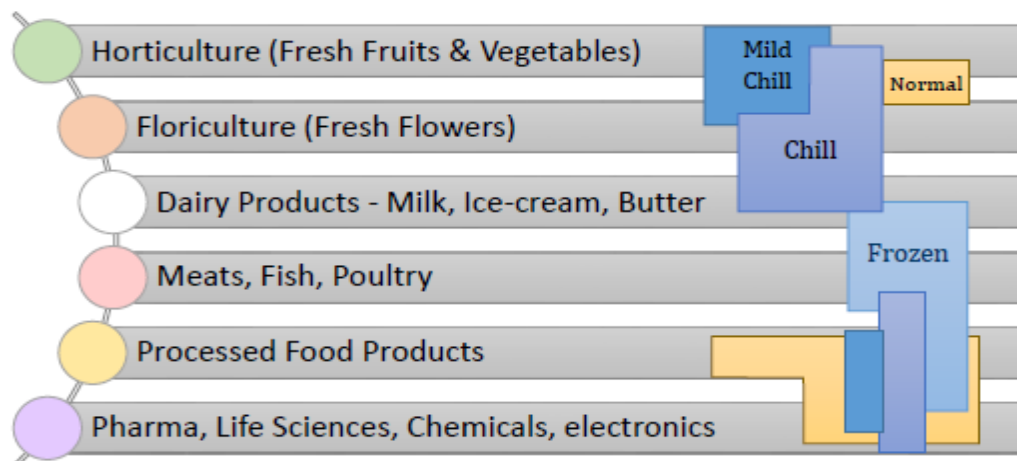


Fig. 6 – Product-wise segmentation of temperature controlled logistic chain

The above listed product segments, have varied holding times, depending on time-temperature combinations and cold-chain infrastructure facilities. The first 3 in the list mostly have a short holding life and the last 3 have a long holding life of many months or even years. Accordingly, the cold-chain facilities play a differentiated role which may be summarized as under:

- For fresh horticulture and floriculture produce, the cold-chain enhances the life cycle of the produce thereby extending its saleable life and time span to reach the end-consumers across geographies. Due to shortage of time, quick logistics connectivity is the driving force.
- For transformed or processed food, the cold-chain protects the status of the manufactured goods till it is consumed. Due to long term holding ability, low cost procurement and a managed product inventory takes precedence.

In both cases, the cold-chain protects value of goods under its care, and the primary benefit of cold-chain goes to the producer/owners of this value, namely the farmers, growers, producer organisation s, as well the traders and food processors.

It is also noted that there is scope for synergistic use of infrastructure, between the different user or product segments. In utilising logistics assets, cross utilisation and improved capacity utilisation can be effected if the initial design and planning is in accordance. The most commonly used component between segments is the reefer transport and these are designed to handle in a wide range of conditions.

### ***Cold Chain Categories based on Storage Temperatures***

Based on product storage temperature, the using commodities can be broadly classified into 4 categories depicted in Fig. 7.

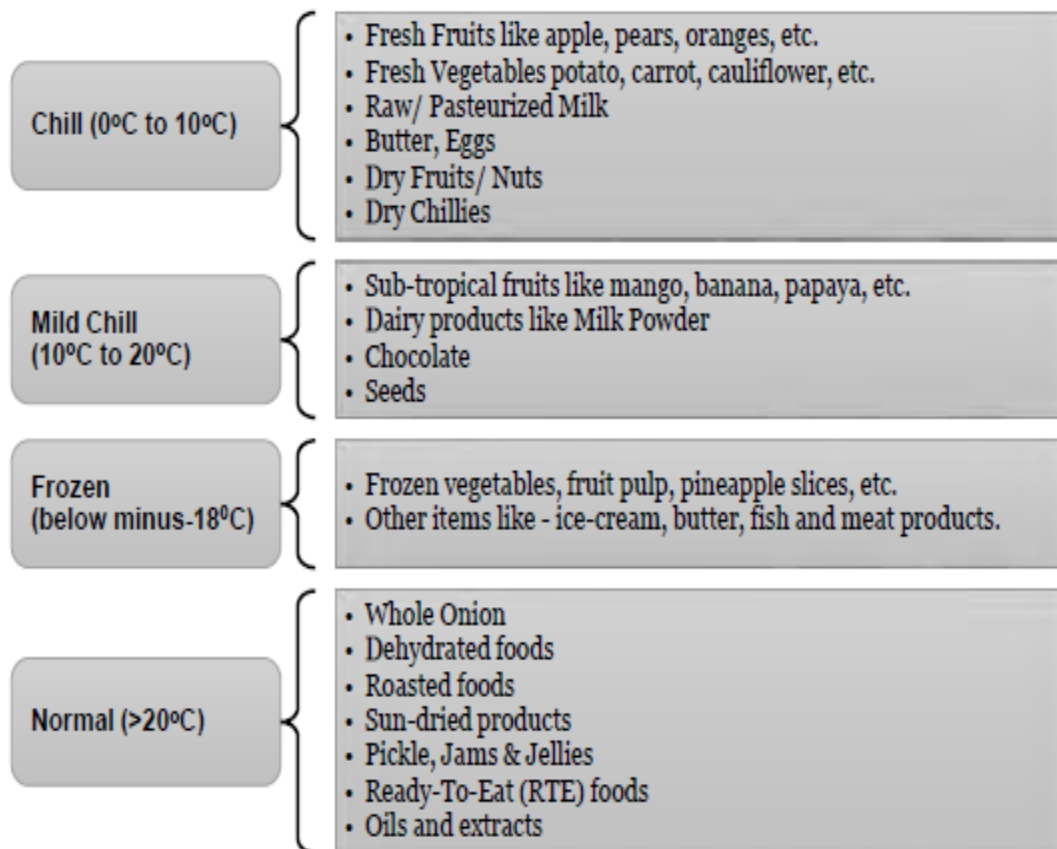


Fig. 7 – Cold-chain storage segmentation based on storage temperature

**State-wise Capacity of Cold Storages in India (31.03.2014)**

S.No	State/UTs	Number of Cold Stores	Capacity in MT
1	Andaman & Nicobar (UT)	2	210
2	Andhra Pradesh	404	1577828
3	Arunachal Pradesh	2	5000
4	Assam	34	119652
5	Bihar	303	1406395
6	Chandigarh (UT)	6	12216
7	Chattisgarh	89	427766
8	Delhi	97	129857
9	Goa	29	7705
10	Gujarat	560	2030873
11	Haryana	295	588649
12	Himachal Pradesh	32	38557
13	Jammu & Kashmir	28	64769
14	Jharkhand	55	217280
15	Karnataka	189	526752
16	Kerala	197	78355
17	Lakshadweep (UT)	1	15
18	Madhya Pradesh	260	1097168
19	Maharashtra	540	706302.6
20	Manipur	1	2175
21	Meghalaya	4	8200
22	Mizoram	3	3931
23	Nagaland	2	6150
24	Odisha	111	326639
25	Puducherry (UT)	3	85
26	Punjab	606	2004778
27	Rajasthan	154	480032
28	Sikkim	2	2000
29	Tamil Nadu	163	295671
30	Tripura	13	39181
31	Uttar Pradesh	2176	13633039
32	Uttarakhand	28	84545
33	West Bengal	502	5901925
<b>Totals</b>		<b>6891</b>	<b>31823700.6</b>

[Source: Ministry of Agriculture & Ministry of Food Processing Industries]

On the basis of recorded capacity created of cold storages only, as of 31.03.2014. Actual operational / functional capacity may differ as various units may have become non-operational due to redundancy of technology, business model or other reasons. The cold storage capacity built for captive use of individual industry (hospitality, medical, retail, QSR, etc), are not fully reflected in data.

**Indian scenario**

In October 2014 a report by the Task Force on Cold Chain Projects recommended creation of additional 7.5 million MT cold-chain capacity in the next 5 years under the joint responsibility of the Ministry of Agriculture and the Ministry of Food Processing Industries. Out of 7.5 million MT, DAC can take up 5 million MT under MIDH and MoFPI can take up 2.5 million MT. The capacity needs to be planned to adopt an “end-to-end” approach so as to connect farm-gate to the consumers in a seamless manner.

The base line survey of cold stores, conducted by M/s. Hansa Research for National Horticulture Board under DAC in 2013-14, indicates the segment wise share in number of cold storage is shown in Fig. 8.

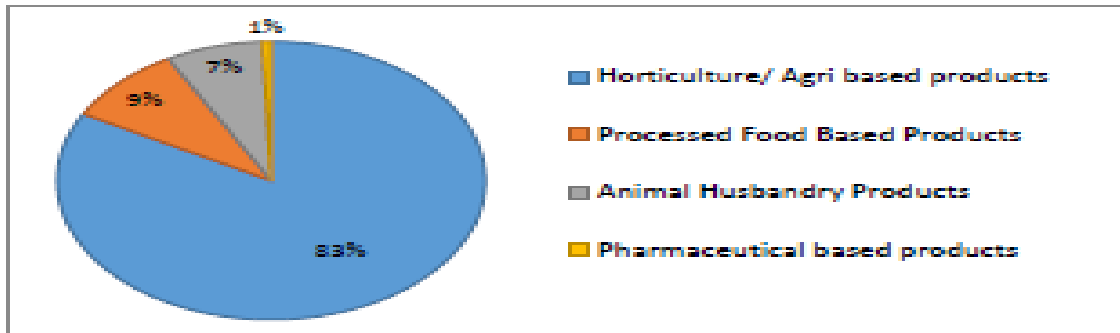


Fig. 8 – Segment-wise segregation of Cold Storages

#### Existing infrastructure of Cold Chain in India:

#	Infrastructure Component	Numbers	Avg Size or capacity (MT)	Remarks
1	Modern Pack-house (PH)	249	NA	Study of secondary data and estimates
2	Cold Storage Hubs (CH)	5367	5003	Baseline Survey (DAC)
3	Cold Storage Bulk (CS)			Baseline Survey (DAC)
4	Ripening Chamber (RC)	812	NA	Study of secondary data and estimates
5	Reefer Transport (T)	9,000	6 to 15 tons	Market estimate
6	Last mile Transport (t)		< 4 tons	Market estimate
7	Retail/ Front-end (FE)	1.968 million outlets	NA	Market estimate

Fig. 9 – Existing Cold-chain Infrastructure in India

Source: Report titled ‘All India Cold-chain Infrastructure Capacity – Assessment of Status and gaps (2015)’ by National Centre for Cold-chain Development (NCCD)

The Task Force on Cold-chain Projects (TFCP-2014) reports that a total of 31.82 million metric tons of cold stores have been created in the country. Of these, a total of 10.58 million tons in cold storage size were created in the last 7 years (from 2007 to 2014), through Central Government Assistance:

- Under MoFPI: total 0.19 million tons capacity is created.
- Under MIDH (NHM/HMNEH/NHB): total 10.39 million tons is created.

As per information from various government departments and agencies, 6891 cold storages have been created of size 31.82 million tons. This information is not further segregated into Cold Storage (Bulk) or Cold Storage (Hub).

#### Warehousing

##### Indian Agricultural Warehousing

Warehousing plays a very vital role in promoting agriculture marketing, rural banking and financing and ensuring Food Security in the country. It enables the markets to ease the pressure during harvest season and to maintain uninterrupted supply of agricultural commodities during off season. Hence, it solves the problems of glut and scarcity, which are the usual problems in agricultural marketing. Indian transportation and logistics market witnesses new heights; there has been increasing buzz around technology adoption, network optimization, multimodal transportation and improving warehousing. The latter in particular has been evolving rapidly from traditional 'godowns' to modern facilities. Indian logistics market is expected to grow at a CAGR of 12.17% by 2020 driven by the growth in the manufacturing, retail, FMCG and e-commerce sectors.

Agricultural warehousing accounts for fifteen percent of the warehousing market in India and is estimated to be worth ₹ 8,500 crore. It is however perceived to be inadequate and unorganised. More than 40 percent of the agricultural warehouses are run by state enterprises such as FCI, CWC and SWCs.

30 percent of the warehousing capacity is held by unorganised small godown players. These unorganised warehouses lack scale and quality. On the other hand, there are a few large national-level players in the warehousing market which own professionally run warehouses and also provide ancillary services around warehousing.

Although there is no exact data on the number of warehouses present, some of the substantial capacities available in public, cooperative and private sectors are depicted below:

S. No.	Name of Organisation	Storage Capacity (in million metric tonne)
1	Food Corporation of India (FCI)	38.34
2	Central Warehousing Corporation (CWC)	10.30
3	State Warehousing Corporations (SWCs) and State Civil Supplies	34.84
4	Co-operative Sector	15.07
5	Private Sector	18.97
	<b>Total</b>	<b>117.52</b>

*Source: Report by the Committee for Strengthening Negotiable Warehouse Receipts by the Warehousing Development and Regulatory Authority in the Country*

There exists evidence of lack of warehousing capacity in the country. The warehousing capacity gap estimated by the Planning Commission stands to be at 27 million metric tonnes today. A study on state of Indian farmers in the year 2004 by the Ministry of Agriculture estimated that about 7% of food grains and 30% of fruits and vegetable are lost due to inadequate handling facilities. Approximately, 10% of valuable spices are lost due to lack of proper post-harvest infrastructural facilities. The above post-harvest losses of agricultural commodities in monetary terms have been estimated at about ₹ 44,000 crores.

Out of the total capacity present in the Indian warehousing today, only 19.44 lakh metric tonne (1.94 million metric tonne) has been registered with WDRA by a total of seven hundred and six warehouses of CWC, SWC, Primary Agriculture Co-operative Society (PACS). This corresponds to 1.65% of the overall capacity estimated to be present in the market today.

## SUMMARY OF BUSINESS OVERVIEW

### Overview of our Business:

#### About our Company:

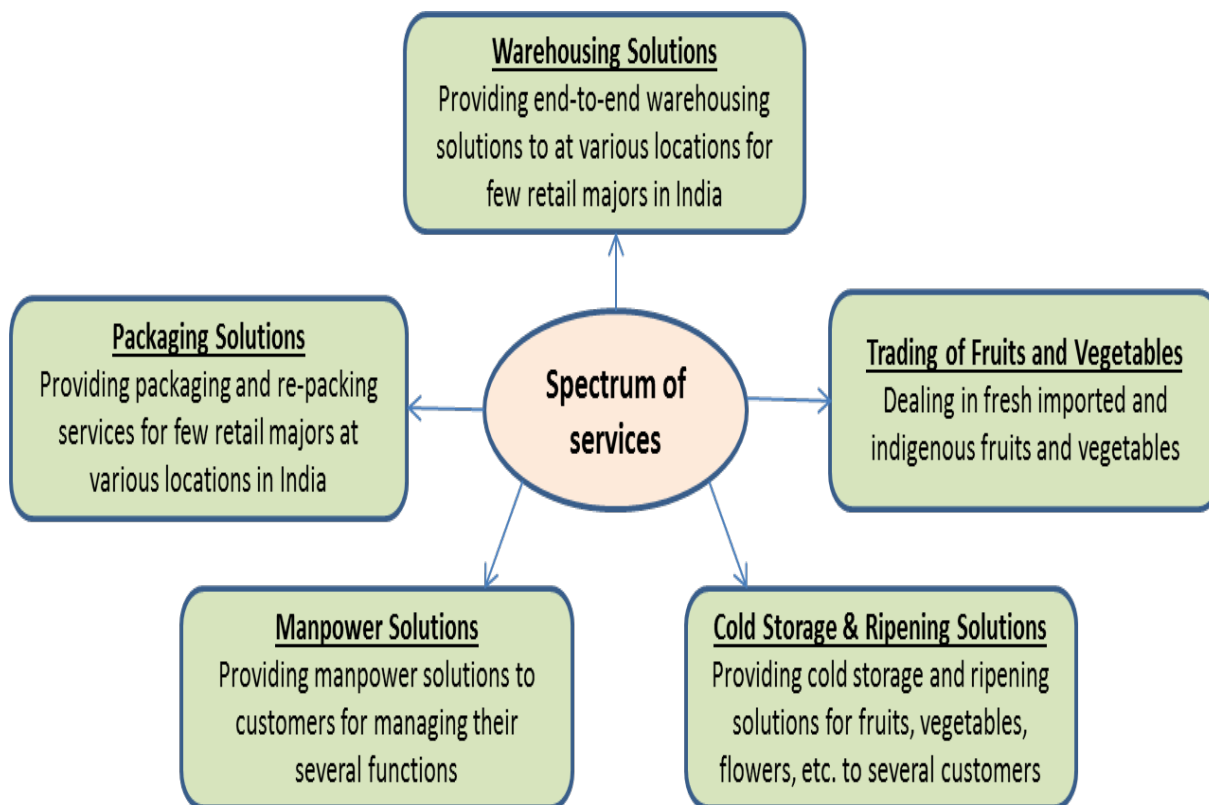
Incorporated in 2007, our Company is a multi-services customer focused organization and offer value added services to a whole range of clients spread across various business segments.

We are engaged in the business of providing services; namely, warehousing solutions, cold storage and ripening solutions, manpower solutions and packaging solutions. We are also engaged in trading of perishable food items, mainly fruits and vegetables in the domestic as well as export markets. Our customers are primarily located in the western India, majorly Gujarat and Maharashtra. We have been started exporting fruits and vegetables in the year 2015-16, currently to U.A.E.

Our Company was originally formed as a private limited company on March 30, 2007. Pursuant to a special resolution dated February 28, 2008, our Company was converted into a public limited company.

Started with an idea to deliver fruits and vegetables at customer door steps with a small warehouse and a designer mobile van shop in the year 2007, the Company has reached a stage where it has entered into tie-up with large corporate from procurement of fruits and vegetables and operate a warehouse facility, cold storage & ripening chambers of approximately 10,180 sq. ft. totally and managing clients' warehouse and cold storage facilities of approximately 2,55,700 sq. ft. currently.

#### Our spectrum of services:



With a strong backward integration and having a team of sourcing experts, our company continuously tries to get best quality F&V directly fresh from farm to its customers or end users. We supply products for Retail, Modern Trade, HoReCa, Foodservice, Wholesale, Governments and Manufacturing customers on regular basis. Food Safety and Traceability are our priority.

Our Company is having a state of art food processing unit at Ahmedabad for storage of various Fruits and Vegetables & Processed Material. The processing unit is strategically located under APMC Market of the city, with all modern



equipments for handling & storage of Fruits & Vegetables. It's a Complete Integrated Pack House having facilities such as Pre-cooling & Ripening chamber, storing/Grading, Processing, Packing and Dispatch area separately maintained with the help of skilled labor. We have our own logistics van/vehicles available for supply of F&V to various stores in and near by the city.

With an aim to provide value added, customer focused service, our company is broadly involved in the field of Manpower Solution in Gujarat. Our service outlook enables our clientele achieve an organizational excellence at every stage of their business.

As per our Restated Financials, our total revenue for the financial year ended on March 31, 2013, 2014, 2015, 2016 and for the period ended on September 30, 2016 was ₹ 1,068.92 lakhs, ₹ 1,747.65 lakhs, ₹ 1961.88 lakhs, ₹ 2,104.66 lakhs and ₹ 1,391.77 lakhs respectively. Our EBITDA for the financial year ended on March 31, 2013, 2014, 2015, 2016 and for the period ended on September 30, 2016 was ₹ 65.30 lakhs, ₹ 62.03 lakhs, ₹ 71.53 lakhs, ₹ 102.53 lakhs and ₹ 58.73 lakhs, respectively. Our profit after tax for financial year ended on March 31, 2013, 2014, 2015, 2016 and for the period ended on September 30, 2016 was ₹ 5.66 lakhs, ₹ 9.87 lakhs, ₹ 8.32 lakhs, ₹ 27.10 lakhs and ₹ 25.49 lakhs respectively.

## **Our Strengths:**

### ***Experienced management team***

Mr. Jinen Ghelani, our Promoter and Managing Director, has over a decade of entrepreneurial experience, with nearly two decades of experience in the FMCG, food and retail industry. He is the first generation entrepreneur. Mr. Hiren Ghelani, Executive Director has a vast experience in capital markets, finance, business development, new project evaluation and strategy formulation. Our management team also plays an instrumental role in decision making process considering their vast experience in the food and retail industry. We believe we have a well qualified and experienced employee base, which is responsible for the growth in our business operations.

### ***Existing client relationship***

We constantly try to address customer needs around a spectrum of our services and products. We believe that our services and products help us to get continuous and repeat business from our customers. We have existing client relationships with several large groups in India, including Reliance Retail Limited, Gujarat Tea Processors and Packers Limited. Intas Pharmaceuticals Limited etc. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

### ***Diversified but synergistic businesses***

We are into multiple businesses, namely Warehousing Solutions, Packaging Solutions, Manpower solutions, Cold Storage and Ripening solutions and Dealing in fruits and vegetables. Due to the diversity, we have different clients for different businesses. This helps us in cross-selling our services. This also helps us in the growth of our trading business, including other businesses. Our Company operates cold storage and ripening chambers for fruits, vegetables and frozen food items. This is an added advantage to us. Since, we are also into trading business, our suppliers of food items become our customers for cold storage and / ripening solutions business.

### ***Existing relationships with suppliers***

Our Company has entered into a procurement agreement with few corporate. Further, we also have informal agreements with several of our suppliers for the supply of products. With regards to our services business, our work track record and relationships with our clients and manpower aid us in the development of our business. Being in this business for long span now, we are better placed in procurement segment and negotiations with our suppliers.

### ***Well trained and skilled manpower***

We are hugely dependent on our manpower for all the activities we do. Most of our employees are deployed at our client's site. We impart necessary training to them before deployment. As on October 31, 2016 we employ 22 full-time employees at our registered office and locations operate by us. In addition, we also employ 258 employees at several client locations where we provide manpower. We need skilled as well as semi-skilled workers. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work

processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

## **Our Strategies:**

### ***Exploring export initiatives***

Our Company started exporting fruits and vegetables from FY 2015-16. We are currently exporting to only U.A.E. There is huge potential for Indian fruits and vegetable abroad. We intend to build relationships with foreign buyers and start exports of our products.

### ***Exploring contract farming***

Our Company plan to start contract farming by entering into agreement with farmers. By this, we will be able to deliver timely and quality products to the market. By entering into such agreement, we would be able to grow our business by mitigating the possible constraints like land availability, farmers discontent, etc. Further our wholly owned subsidiary Florens Farming Private Limited incorporated on December 27, 2016 is engaged in the business of farming, agriculture and horticulture in their respective forms and branches. The wholly owned subsidiary has been setup to undertake commercial agricultural activities which will reduce our dependence on the external farmers.

### ***Entering into more tie-ups for procurement***

In addition to the existing tie-ups for the supplies and procurement, we plan to enter into more arrangements for the tie-ups. This will aid us in timely delivery of the product and also having fair idea of the purchase price. Due to the high demand for quality food items i.e. fruits and vegetables, a good procurement tie-up will aid us in the growth of our business.

### ***Expand geographically***

Currently, we have business operations in Gujarat and Maharashtra. We plan to expand geographically in to other states across India. Ours is a regulatory oriented business, we need approvals and license for almost all the activities we do. Every state has different laws pertaining to manpower, trading license, etc. and different mannerism of doing business. However, our experience will play a key role in such expansion and client acquisition.

## **Brief details of our Business:**

### **1. Warehousing Solutions**

Our Company provides end-to-end warehousing solutions and related services to our customers. Our Company provides manpower to several corporate to manage their warehouses. End-to-end warehouse solutions and services mainly include maintaining records, unloading, storage, loading, etc. Our customers include Fine Tech Corporation Private Limited, a Reliance group entity, Gujarat Tea Processors and Packers Limited (entity owning Wagh Bakri tea brand), etc. We manage approximately 2,23,700 sq. ft. of warehousing area of our customers, which are mainly retail majors of India.

Further, our Company also operate warehouse facility of approximately 2,200 sq. ft. and 330 sq. ft. at our Jamalpur and Naroda Market location respectively. We also provide carrying and forwarding agency services to our customers, wherein we act as an intermediary for the distribution function of our customers.

### **2. Packaging Solutions**

In addition to the warehousing solutions, our Company also provides re-packing and packaging services. These includes activities like sorting, grading, bar coding and packing into specific quantity as per the directions of the principal / customer. Our customers include Fine Tech Corporation Private Limited, a Reliance group entity, Intas Pharmaceuticals Limited, etc.

### **3. Manpower solutions**

We provide manpower solutions to our customers to manage several functions of their business. We provide skilled, semi-skilled and unskilled labourers to our customers on contract basis. Depending on the requirements of our clients,

the scope of our work is defined. We take responsibility of the availability and performance of our manpower. We recruit manpower based on requirement and assessment, impart necessary training and exposure before assigning them to our customers. Our customers include Fine Tech Corporation Private Limited, a Reliance group entity, Gujarat Tea Processors and Packers Limited (entity owning Wagh Bakri tea brand), Intas Pharmaceuticals Limited, Agility Logistics Private Limited, Corona Remedies Private Limited, etc.

#### 4. Cold Storage and Ripening solutions

Our Company operates cold storage and ripening chambers for fruits, vegetables, flowers and frozen food items at Jamalpur, Ahmadabad. The unit has warehouse, cold storage – cum – ripening rooms, deep freeze rooms, processing and packing hall, dispatch facility, etc. We operate 10 nos. of cold storage – cum – ripening chambers having total approximate area of 7,500 sq. ft. at Jamalpur, Ahmadabad. In addition, we also operate a cold storage unit at Naroda Market premises having approximate area of 150 sq. ft. The total cold storage capacity operated by us is approximately 230 MT and ripening capacity of approximately 28 MT per day.

Further, we also manage a cold storage facility of Fine Tech Corporation Private Limited, a Reliance group entity at Naroda, Ahmadabad having total of 6 cold storage-cum-ripening chambers having approximate area of 9,000 sq. ft.

#### 5. Trading of fruits and vegetables

We trade in fresh fruits and vegetables. We procure goods from farmers; make direct purchase from the market or through direct tie-up for procurement with corporate. We sell also in the open market and also directly to our customers

##### *Our services vis-à-vis current major clients:*

Name of Customer / Principal	Nature of Service	Nature of products
Fine Tech Corporation Private Limited	Warehousing Solutions and Services, Packaging Solutions, Manpower Solutions	Various kinds of Fruits, vegetables, dairy and frozen products
Intas Pharmaceuticals Limited	Warehousing Solutions and Services (including C&F Agency), Packaging Solutions, Manpower Solutions	Various pharmaceutical products and marketing materials
Gujarat Tea Processors and Packers Limited (entity owning Wagh Bakri tea brand)	Warehousing Solutions and Services (including C&F Agency), Manpower Solutions	All kinds of tea
Agility Logistics Private Limited	Manpower solutions	Various products dealt by Agility Logistics Private Limited
Corona Remedies Private Limited	Manpower solutions	Various Pharmaceutical products
20Cube Warehousing and Distribution Private Limited	Manpower solutions	Various products dealt by 20Cube Warehousing and Distribution Private Limited
Desai Fruits and Vegetables	Cold-storage cum ripening solutions	Various kinds of fruits and vegetables
Patidar Agro & Food Products	Cold-storage cum ripening solutions	Various kinds of fruits
Freshtrop Fruits Limited	Trading of Fruits	Various kinds of fruits
Jusqu'a Foods and Beverages Pvt. Ltd	Trading of Fruits	Various kinds of fruits

## SUMMARY OF FINANCIAL INFORMATION

### ANNEXURE 1

#### STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2016	As at March 31,				
		2016	2015	2014	2013	2012
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' Funds</b>						
a. Share Capital	304.30	152.15	91.63	54.74	49.74	39.97
b. Reserves & Surplus	91.89	218.54	155.18	139.26	114.32	52.50
Share Application Money Pending Allotment	-	-	-	-	-	23.18
<b>Non Current Liabilities</b>						
a. Long Term Borrowings	37.00	47.42	52.95	59.58	77.68	32.38
b. Deferred Tax Liabilities	4.70	5.68	10.98	15.60	17.76	0.05
c. Long Term Provisions	2.57	2.57	-	-	-	-
<b>Current Liabilities</b>						
a. Short Term Borrowings	221.24	157.53	152.76	118.71	123.48	73.12
b. Trade Payables	55.61	74.53	63.58	78.41	38.97	23.21
c. Other Current Liabilities	31.91	31.40	68.81	84.37	66.35	36.59
d. Short Term Provisions	10.97	17.54	15.10	13.16	12.15	9.66
<b>TOTAL</b>	<b>760.19</b>	<b>707.36</b>	<b>610.99</b>	<b>563.83</b>	<b>500.46</b>	<b>290.66</b>
<b>ASSETS</b>						
<b>Non Current Assets</b>						
a. Fixed Assets						
i. Tangible Assets	212.09	205.72	200.07	195.18	187.56	24.04
Less: Accumulated Depreciation	118.21	108.61	78.98	49.36	24.57	8.73
ii. Intangible Assets (Net)	0.21	0.27	0.36	0.48	0.48	-
iii Capital Work in Progress	-	-	-	-	5.14	10.41
<b>Net Block</b>	<b>94.09</b>	<b>97.39</b>	<b>121.45</b>	<b>146.30</b>	<b>168.62</b>	<b>25.73</b>
b. Deferred Tax Assets (Net)	-	-	-	-	-	-
c. Non-current Investments	16.18	16.18	16.18	16.18	16.18	16.05
d. Other Non Current Assets	15.35	10.35	11.79	14.73	13.76	10.52
<b>Current Assets</b>						
a. Inventories	169.95	168.22	130.94	67.57	52.07	14.24
b. Trade Receivables	225.66	257.38	182.52	178.18	138.17	101.16
c. Cash and Cash Equivalents	75.34	72.31	79.20	72.98	64.20	13.75
d. Short Term Loans & Advances	163.62	85.53	68.89	67.89	47.45	108.69
e. Other Current Assets	-	-	-	-	-	0.52
<b>TOTAL</b>	<b>760.19</b>	<b>707.36</b>	<b>610.99</b>	<b>563.83</b>	<b>500.46</b>	<b>290.66</b>

## ANNEXURE II

### STATEMENT OF PROFIT AND LOSS AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>INCOME</b>						
Revenue from Operations	1,389.93	2,103.50	1,959.48	1,746.21	1,068.66	747.34
Other Income	1.84	1.16	2.40	1.45	0.25	-
<b>Total Income (A)</b>	<b>1,391.77</b>	<b>2,104.66</b>	<b>1,961.88</b>	<b>1,747.65</b>	<b>1,068.92</b>	<b>747.34</b>
<b>EXPENDITURE</b>						
Purchase of Stock-in-Trade	1,006.34	1,330.49	1,384.85	1,146.39	597.99	366.77
Changes in inventories of finished goods, traded goods and work-in-progress	(1.36)	(38.45)	(58.22)	(15.50)	(37.82)	(10.19)
Employee benefit expenses	244.08	439.59	426.71	430.39	339.74	272.27
Finance costs	13.59	31.40	29.62	22.90	19.44	5.57
Depreciation and amortisation expense	9.67	31.79	29.74	24.79	15.96	2.27
Other Expenses	83.97	270.50	137.00	124.34	103.71	92.26
<b>Total Expenses (B)</b>	<b>1,356.29</b>	<b>2,065.32</b>	<b>1,949.71</b>	<b>1,733.31</b>	<b>1,039.01</b>	<b>728.95</b>
<b>Profit before extraordinary items and tax (C)</b>	<b>35.47</b>	<b>39.34</b>	<b>12.17</b>	<b>14.34</b>	<b>29.91</b>	<b>18.39</b>
Extraordinary items	-	-	-	-	-	-
<b>Profit before tax (D)</b>	<b>35.47</b>	<b>39.34</b>	<b>12.17</b>	<b>14.34</b>	<b>29.91</b>	<b>18.39</b>
<i>Tax expense :</i>						
(i) Current tax	10.96	17.54	8.47	6.63	6.53	5.62
(ii) Deferred tax	(0.98)	(5.30)	(4.62)	(2.16)	17.71	0.06
<b>Total Tax Expense (E)</b>	<b>9.98</b>	<b>12.24</b>	<b>3.85</b>	<b>4.47</b>	<b>24.24</b>	<b>5.68</b>
<b>Profit for the year (D-E)</b>	<b>25.49</b>	<b>27.10</b>	<b>8.32</b>	<b>9.87</b>	<b>5.66</b>	<b>12.71</b>

# ANNEXURE III

## STATEMENT OF CASH FLOW AS RESTATED

( ₹. In lakhs)

Particulars	For the period ended Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Cash flow from operating activities:</b>						
Net Profit before tax as per Profit And Loss A/c	35.47	39.34	12.17	14.34	29.91	18.39
Adjusted for:						
Preliminary Expenses w/off	-	-	-	-	0.52	0.52
Profit on sale of Fixed Assets	-	(0.34)	-	-	-	-
Depreciation & Amortisation	9.67	31.79	29.74	24.79	15.96	2.27
Interest & Finance Cost	13.59	31.40	26.85	21.45	19.44	5.57
Interest income	-	(0.15)	(0.14)	-	(0.13)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>58.73</b>	<b>102.04</b>	<b>68.62</b>	<b>60.59</b>	<b>65.70</b>	<b>26.75</b>
Adjusted for (Increase)/ Decrease:						
Trade Receivables	31.72	(74.86)	(4.34)	(40.01)	(37.02)	(65.95)
Inventories	(1.73)	(37.28)	(63.38)	(15.50)	(37.82)	(10.19)
Short Term Loans and Advances	(78.10)	(16.63)	1.01	(16.96)	70.74	(85.85)
Trade payables	(18.92)	11.12	(14.83)	39.44	15.76	9.98
Current Liabilities	0.51	(37.41)	(17.39)	22.53	39.49	34.90
Other Non Current Assets	(5.00)	1.44	2.94	(0.97)	(3.24)	(4.34)
<b>Cash Generated From Operations</b>	<b>(12.77)</b>	<b>(51.58)</b>	<b>(27.37)</b>	<b>49.12</b>	<b>113.61</b>	<b>(94.71)</b>
Direct Tax Paid	(17.54)	(15.10)	(8.56)	(9.03)	(8.27)	(6.34)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(30.31)</b>	<b>(66.68)</b>	<b>(35.93)</b>	<b>40.09</b>	<b>105.34</b>	<b>(101.05)</b>
<b>Cash Flow From Investing Activities:</b>						
Purchase of Fixed Assets	(6.37)	(8.88)	(6.64)	(2.47)	(158.86)	(14.38)
Sale of Fixed Asset	-	3.57	1.75	-	-	-
Long Term Investments	-	-	-	-	(0.14)	-
Interest Income	-	0.15	0.14	-	0.13	-
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(6.37)</b>	<b>(5.16)</b>	<b>(4.76)</b>	<b>(2.47)</b>	<b>(158.87)</b>	<b>(14.38)</b>
<b>Cash Flow from Financing Activities:</b>						
Proceeds From Share Capital/Securities Premium	-	97.11	44.50	20.00	18.02	12.60
Proceeds From Share Application Money/Call Money	-	-	-	-	9.73	13.98
Increase/(Decrease) Long Term Borrowing	(10.42)	(5.53)	(4.80)	(22.60)	45.31	32.38
Increase/ (Decrease) in Short Term Borrowing	63.71	4.77	34.05	(4.78)	50.36	69.75
Interest & Financial Charges	(13.59)	(31.40)	(26.85)	(21.45)	(19.44)	(5.57)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>39.70</b>	<b>64.95</b>	<b>46.90</b>	<b>(28.84)</b>	<b>103.98</b>	<b>123.14</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3.02</b>	<b>(6.89)</b>	<b>6.22</b>	<b>8.78</b>	<b>50.45</b>	<b>7.71</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>72.31</b>	<b>79.20</b>	<b>72.98</b>	<b>64.20</b>	<b>13.75</b>	<b>6.04</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>75.34</b>	<b>72.31</b>	<b>79.20</b>	<b>72.98</b>	<b>64.20</b>	<b>13.75</b>



## THE ISSUE

### PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

<b>Equity Shares Offered<sup>(1)</sup>:</b> Present Issue of Equity Shares by our Company and the Selling Shareholders <sup>(2)</sup>	12,14,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60 per share aggregating ₹ 728.40 lakhs.
<b>Consisting of:</b>	
<b>Fresh Issue</b>	4,50,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60 per share aggregating ₹ 270.00 lakhs
<b>Offer for Sale</b>	7,64,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60 per share aggregating ₹ 458.40 lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Makers</b>	62,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60 per share aggregating ₹ 37.20 lakhs
<b>Net Issue to the Public</b>	11,52,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60 per share aggregating ₹ 691.20 lakhs
	<b>Of Which<sup>(3)</sup>:</b>
	5,76,000 Equity Shares of ₹ 10 each at a price of ₹ 60 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	5,76,000 Equity Shares of ₹ 10 each at a price of ₹ 60 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
<b>Equity Shares outstanding prior to the Issue</b>	30,43,000 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	34,93,000 Equity Shares
<b>Objects of the Issue</b>	Please see the chapter titled “Objects of the Issue” beginning on page no. 59 of this 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 see the section titled “Issue Related Information” beginning on page no. 202 of this Prospectus.

<sup>(2)</sup>The present Issue has been authorized pursuant to a resolution of our Board dated March 06, 2016 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 March 30, 2016.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated March 02, 2016, The No. of Equity Shares offered by each Selling Shareholders are as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hiren Ghelani	5,15,000
2	Mr. Jinen Ghelani	1,80,000
3	NH Time Investments Research Pvt. Ltd.	34,000
4	Mr. C. C. Ghelani	25,000
5	Mr. Hardik Ghelani	10,000
	<b>Total</b>	<b>7,64,000</b>

The Selling Shareholders have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale

*<sup>(3)</sup> 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 and the Selling Shareholders in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*

## GENERAL INFORMATION

Our Company was incorporated as Prime Customer Services Private Limited on March 30, 2007 under the Companies Act, 1956 bearing Registration No. 050404 and having its Registered Office in Ahmedabad, Gujarat. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Prime Customer Services Limited vide special resolution dated February 28, 2008. A fresh Certificate of Incorporation consequent upon change of name was issued on March 25, 2008 by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Company's Corporate Identity Number is U51109GJ2007PLC050404 and its Registered Office is situated at 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmedabad, Gujarat – 380022.

For further details, please refer to the chapter titled “History and Certain Corporate Affairs” beginning on page 112 of this Prospectus.

### Brief Company and Issue Information

<b>Registered Office</b>	<b>Address:</b> 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmedabad, Gujarat – 380 022 <b>Tel Fax No:</b> +91- 79 - 2532 0300 <b>Email:</b> <a href="mailto:cs@primecustomer.co.in">cs@primecustomer.co.in</a> <b>Website:</b> <a href="http://www.primecustomer.co.in">www.primecustomer.co.in</a>
<b>Date of Incorporation</b>	March 30, 2007
<b>Company Registration No.</b>	050404
<b>Company Identification No.</b>	U51109GJ2007PLC050404
<b>Address of Registrar of Companies</b>	<b>Address:</b> ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013. <b>Tel No.:</b> +91 – 79- 2743 7597 <b>Fax No.:</b> +91 – 79- 2743 8371
<b>Designated Stock Exchange</b>	SME Platform of BSE
<b>Company Secretary &amp; Compliance Officer</b>	<b>Name:-</b> Ms. Kruti Sheth <b>Address:-</b> 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmedabad, Gujarat – 380 022 <b>Tel Fax No.:</b> +91- 79 - 2532 0300 <b>Email:</b> <a href="mailto:cs@primecustomer.co.in">cs@primecustomer.co.in</a>

### Board of Directors of our Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	Director's Identification No.
Mr. Jinen Ghelani	Chairman and Managing Director	01872929
Mrs. Neha Ghelani	Whole Time Director	00197285
Mr. Hiren Ghelani	Whole Time Director	02212587
Mr. Sameer Rajguru	Whole Time Director	07198139
Mr. Mihir Manek	Non-Executive Independent Director	07254045
Mr. Ravi Menon	Non-Executive Independent Director	05254365
Mr. Brijesh Kumar Misra	Non-Executive Independent Director	07524535

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “Our Management” beginning on page no. 117 of this Prospectus.

*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 relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of Applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB/ Designated Intermediary, where the ASBA Application Form was submitted by the ASBA Applicants*

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

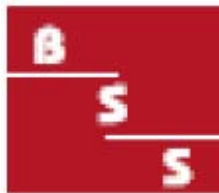
### LEAD MANAGER TO THE ISSUE



#### ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),  
Fort, Mumbai – 400 001  
Tel. No.: +91 – 22 – 6216 6999  
Fax No.: +91 – 22 – 2263 0434  
Website: [www.afsl.co.in](http://www.afsl.co.in)  
Email: [ipo@afsl.co.in](mailto:ipo@afsl.co.in)  
Investor Grievance Email: [feedback@afsl.co.in](mailto:feedback@afsl.co.in)  
Contact Person: Mr. Vimal Maniyar  
SEBI Registration No.: INM000011344

### REGISTRAR TO THE ISSUE



#### BIGSHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri (E), Mumbai - 400 072,  
Tel No.: +91 – 22 – 4043 0200  
Fax No.: +91 – 22 – 2847 5207  
Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
Investor Grievance Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
Contact Person: Mr. Ashok Shetty  
SEBI Registration No.: INR000001385

### LEGAL COUNSEL TO THE ISSUE



#### M/S KANGA & COMPANY (ADVOCATES & SOLICITORS)

Readymoney Mansion,  
43, Veer Nariman Road,  
Mumbai – 400 001  
Tel No.: +91 – 22 – 6623 0000, +91 – 22 – 6633 2288  
Fax No.: +91 – 22 – 6633 9656 / 57  
Contact Person: Mr. Chetan Thakkar  
Email: [chetan.thakkar@kangacompany.com](mailto:chetan.thakkar@kangacompany.com)  
Website: [www.kangacompany.com](http://www.kangacompany.com)

### STATUTORY AUDITOR OF THE COMPANY

#### M/S. O. P. BHANDARI & CO.

30, Omkar House, C. G. Road, Navrangpura,  
Ahmedabad- 380 009  
Tel No.: +91- 79 - 2646 2539  
Fax No.: +91- 79 - 2656 3388  
Email: [opbhandrica@gmail.com](mailto:opbhandrica@gmail.com)  
Contact Person: Mr. O. P. Bhandari

## BANKER(S) TO OUR COMPANY



### STATE BANK OF LIMITED

SBI Polytechnic Branch, Opp Ketav Petrol Pump,  
Ambawadi, Ahmedabad.  
Tel. No.: +91 – 79 - 2630 8940  
Fax No.: +91 – 79 – 2601 1383  
Contact Person: Mr. Aditya Kumar Pandey, Chief Manager  
Email: [sbi.01043@sbi.co.in](mailto:sbi.01043@sbi.co.in)  
Website: [www.sbi.co.in](http://www.sbi.co.in)



### IDBI BANK

IDBI Tower, WTC Complex,  
Cuffe Parade, Mumbai- 400 005  
Tel. No.: +91 – 22 - 6655 3355  
Contact Person: Mr. Rishi Kharkwal  
Website: [www.idbi.com](http://www.idbi.com)



### CENTRAL BANK OF LIMITED

Central Bank Of Limited, Ashram Road Branch,  
Nr. Usman Char Rasta, Near Jain Temple  
Tel. No.: +91 – 79 - 2754 4837  
Fax No.: +91 – 79 – 2754 1475  
Contact Person: Mr. K.P.S. Naidu, Chief Manager  
Email: [bmahme0541@centralbank.co.in](mailto:bmahme0541@centralbank.co.in)  
Website: [www.centralbankofindia.co.in](http://www.centralbankofindia.co.in)

## BANKER(S) TO THE ISSUE



### AXIS BANK LIMITED

Jeevan Prakash Building,  
Sir P.M. Road, Fort, Mumbai – 400 001  
Tel No.: +91 – 22 – 4086 7376 / 7464  
Fax No.: +91 – 22 – 4086 7327  
Website: [www.axisbank.com](http://www.axisbank.com)  
Email: [fort.operationshead@axisbank.com](mailto:fort.operationshead@axisbank.com)  
Contact Person: Mr. Anil Kanekar  
SEBI Registration No.: INBI00000017

## SELF CERTIFIED SYNDICATE BANKS

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, please see the above mentioned SEBI link.

## BROKERS TO THIS ISSUE

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 Stock Exchange, at BSE Limited, as updated from time to time.

## REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Limited, 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 BSE Limited, 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.

## **INTER-SE ALLOCATION OF RESPONSIBILITIES**

Aryaman Financial Services Limited is the Sole Lead Manager to this Issue, and hence is responsible for all the issue management related activities.

## **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 50,000 lakhs and hence our Company has not appointed a monitoring agency for this issue.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus..

## **IPO GRADING**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

## **TRUSTEES**

This being an Issue of Equity Shares, the appointment of trustees is not required.

## **DETAILS OF THE APPRAISING AUTHORITY**

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

## **CREDIT RATING**

This being an Issue of sale of Equity Shares, no credit rating is required.

## **EXPERT OPINION**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, M/s. O. P. Bhandari & Co., Chartered Accountants to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as "Expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated February 14, 2017 and the Statement of Tax Benefits dated November 25, 2016, issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.



## ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	March 20, 2017
Issue Closing Date	March 23, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about March 28, 2017
Initiation of Allotment / Refunds / Unblocking of Funds	On or about March 29, 2017
Credit of Equity Shares to demat accounts of Allottees	On or about March 30, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	On or about March 31, 2017

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and revision of to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date) On the Issue Closing Date, the Applications and any revision to the same shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Application by QIB Applicants and Non-Institutional Applicants, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the LM to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Selling Shareholders nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## UNDERWRITING

This Issue is 100% Underwritten. Our Company and the Selling Shareholders has entered into an Underwriting Agreement dated May 26, 2016 and addendum dated August 19, 2016 with the Underwriters for the Equity Shares proposed to be offered through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amt Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
<b>Aryaman Financial Services Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:ipo@afsl.co.in">ipo@afsl.co.in</a>	11,52,000	691.20	94.89%
<b>Aryaman Capital Markets Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:aryacapm@gmail.com">aryacapm@gmail.com</a>	62,000	37.60	5.11%
<b>Total</b>	<b>12,14,000</b>	<b>728.40</b>	<b>100.00%</b>

As per Regulation 106 P (2) of SEBI (ICDR) Regulations, 2009, the LM 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 (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

#### WITHDRAWAL OF THE ISSUE

Our Company and the Selling Shareholders, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company and the Selling Shareholders shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company and the Selling Shareholders withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

#### MARKET MAKER



#### ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.),  
Fort, Mumbai – 400 001  
**Tel. No.:** +91 – 22 – 6216 6999  
**Fax No.:** +91 – 22 – 2263 0434  
**Email:** [aryacapm@gmail.com](mailto:aryacapm@gmail.com)  
**Contact Person:** Mr. Harshad Dhanawade  
**SEBI Registration No.:** INZ000004739  
**Market Maker Reg. No.:** SMEMM0651421122012

## Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated May 26, 2016 and addendum dated August 19, 2016 with Aryaman Capital Markets Limited, a Market Maker registered with the SME Platform of BSE in order to fulfil the obligations of Market Making.

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

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

1. The Market Maker 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 shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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

9. **Risk containment measures and monitoring for Market Maker:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to

time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

**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

The share capital of the Company as on the date of this Prospectus is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	42,00,000 Equity Shares of face value of ₹ 10 each	420.00	-
<b>B</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	30,43,000 Equity Shares of face value of ₹ 10 each	304.30	-
<b>C</b>	<b>Present Issue in terms of this Prospectus<sup>(1)</sup></b>		
	Issue of 12,14,000 Equity Shares of ₹ 10 each at a price of ₹ 60 per equity Share	121.40	728.40
	<b>Consisting of:</b>		
	Fresh Issue of 4,50,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60 per share	45.00	270.00
	Offer for Sale of 7,64,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 60 per share	76.40	458.40
	<b>Which comprises:</b>		
	62,000 Equity Shares of ₹ 10 each at a price of ₹ 60 per Equity Share reserved as Market Maker Portion	6.20	37.20
	Net Issue to Public of 11,52,000 Equity Shares of ₹ 10 each at a price of ₹ 60 per Equity Share to the Public	115.20	691.20
	<b>Of which<sup>(2)</sup>:</b>		
	5,76,000 Equity Shares of ₹ 10 each at a price of ₹ 60 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	57.60	345.60
	5,76,000 Equity Shares of ₹ 10 each at a price of ₹ 60 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	57.60	345.60
<b>D</b>	<b>Equity Share Capital after the Issue</b>		
	34,93,000 Equity Shares of ₹ 10 each	349.30	
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Prospectus)		Nil
	After the Issue		225.00

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated March 06, 2016 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 March 30, 2016.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated March 02, 2016, The No. of Equity Shares offered by each Selling Shareholders are as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hiren Ghelani	5,15,000
2	Mr. Jinen Ghelani	1,80,000
3	NH Time Investments Research Pvt. Ltd.	34,000
4	Mr. C. C. Ghelani	25,000
5	Mr. Hardik Ghelani	10,000
	<b>Total</b>	<b>7,64,000</b>

*The Selling Shareholders have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale*

*(2) 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 and the Selling Shareholders in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*

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

### Changes in Authorised Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

1. The initial authorised share capital of ₹ 10,00,000 divided into 1,00,000 Equity Shares of ₹ 10 each was increased to ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on June 11, 2007.
2. Increase in authorised capital from ₹ 25,00,000 divided into 2,50,000 shares of ₹ 10 each into ₹ 2,00,00,000 divided into 20,00,000 equity shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on December 31, 2007.
3. Increase in authorised capital from ₹ 2,00,00,000 divided into 20,00,000 shares of ₹ 10 each into ₹ 4,20,00,000 divided into 42,00,000 equity shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on March 30, 2016.

### Notes to the Capital Structure

#### 1) Share Capital History of our Company:

##### a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
March 24, 2007	10,000	10	10	Subscription to MoA	Cash	10,000	1,00,000	Nil
June 12, 2007	90,000	10	10	Further Allotment	Cash	1,00,000	10,00,000	Nil
February 08, 2008	40,100	10	10	Further Allotment	Cash	1,40,100	14,01,000	Nil
March 31, 2008	28,000 <sup>(1)</sup>	10 <sup>(1)</sup>	10	Further Allotment	Cash	1,68,100	16,81,000 <sup>(1)</sup>	Nil
March 31, 2008	10,20,000 <sup>(2)</sup>	10 <sup>(2)</sup>	10	Further Allotment	Cash	11,88,100	1,18,81,000 <sup>(2)</sup>	Nil
March 31, 2008	1,07,600	10	25	Further Allotment	Cash	12,95,700	1,29,57,000	16,14,000
March 26, 2012	36,000	10	35	Further Allotment	Cash	13,31,700	1,33,17,000	25,14,000
March 30, 2013	1,08,000 <sup>(3)</sup>	10	35	Further Allotment	Cash	14,39,700	1,43,97,000 <sup>(3)</sup>	52,14,000 <sup>(3)</sup>



Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
March 30, 2013	79,800 <sup>(4)</sup>	10	35	Further Allotment	Cash	15,19,500	1,51,95,000	72,09,000 <sup>(4)</sup>
March 30, 2013	2,000	10	35	Further Allotment	Cash	15,21,500	1,52,15,000	72,59,000
January 16, 2014	2,00,000 <sup>(5)</sup>	10	40	Further Allotment	Cash	17,21,500	1,72,15,000 <sup>(5)</sup>	87,59,000 <sup>(5)</sup>
December 26, 2015	(2,00,000) <sup>(5)</sup>	10	N.A.	Forfeiture of shares	N.A.	15,21,500	1,72,15,000 <sup>(5)</sup>	87,59,000 <sup>(5)</sup>
May 21, 2016	15,21,500	10	Nil	Bonus Allotment <sup>(6)</sup>	Other than Cash	30,43,000	3,04,30,000 <sup>(7)</sup>	Nil

<sup>(1)</sup> These 28,000 equity shares were originally allotted as partly paid up shares wherein ₹ 5 per share of Face value was paid on allotment. Subsequently these 28,000 were made fully paid up vide Board Resolution dated March 31, 2013 and the cumulative paid up share capital was increased by ₹ 5 per share thereof.

<sup>(2)</sup> These 10,20,000 equity shares were originally allotted as partly paid up shares wherein ₹ 1 per share was paid on allotment. Subsequently 52,222 equity shares were made fully paid up vide Board Resolution dated March 31, 2013; 3,76,944 equity shares were made fully paid up vide Board Resolution dated March 31, 2015; 2,15,346 equity shares were made fully paid up vide Board Resolution dated May 30, 2015; 2,27,000 equity shares were made fully paid up vide Board Resolution dated July 31, 2015; 1,48,488 equity shares were made fully paid up vide Board Resolution dated December 31, 2015 and the cumulative share capital was increased by ₹ 9 per share on these dates respectively.

<sup>(3)</sup> These 1,08,000 equity shares were originally allotted as partly paid up shares wherein ₹ 1 per share was paid as share capital on allotment and ₹ 2 per share was paid as share premium on allotment. These shares were made fully paid up vide Board Resolution dated December 31, 2015 and the cumulative share capital was increased by ₹ 9 per share and ₹ 33 per share were added to share premium accordingly on that date.

<sup>(4)</sup> These 79,800 shares were originally allotted as partly paid up shares wherein ₹ 3 per share was paid up share capital on allotment and ₹ 7 per share was share premium paid on allotment. Subsequently, 42,300 equity shares were made fully paid up vide Board Resolution dated March 31, 2015 and 37,500 equity shares were made fully paid up vide Board Resolution dated December 31, 2015 and the paid up share capital of ₹ 7 per share and share premium of ₹ 28 per share were effected on these dates respectively.

<sup>(5)</sup> These 2,00,000 shares were originally allotted as partly paid up shares wherein ₹ 2.50 per share was paid up as share capital on allotment and ₹ 7.50 per share were share premium on allotment. Subsequently due to non-payment of further calls, these shares were forfeited vide resolution dated December 26, 2015, however ₹ 2.50 per share would continue as paid up share capital and ₹ 7.50 per share would continue as share premium on the books of the company.

<sup>(6)</sup> Pursuant to EGM held on May 17, 2016, our Company has issued 15,21,500 Bonus Shares in the ratio of 1:1 i.e. 1 equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

<sup>(7)</sup> The share capital as per the balance sheet of the company is ₹ 3,09,30,000 (which includes the ₹ 2.50 per share received on the 2,00,000 shares at the time of allotment as capital, which were subsequently forfeited.)

b) Our Company has not issued any Equity Shares for consideration other than cash except for the Equity Shares as mentioned under:

Date of Allotment	No. of Equity Shares	FV (₹)	Issue Price (₹)	Nature of Allotment	Allotted Person	Benefits Accrued to the Company
May 21, 2016	15,21,000	10	Nil	Bonus Allotment	Allotted to all the Shareholders of the Company	Expansion of Capital

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

- d) No bonus shares have been issued out of Revaluation Reserves.
- e) No shares have been issued at a price lower than the Issue Price within the last one year from the date of the Draft Prospectus except as mentioned under:

Date of Allotment	Name of the Allottees	Number of Shares	Issue Price (₹)	Reasons	Promoter / Promoter Group
May 21, 2016	Mr. Hiren Ghelani	820,000	Nil	Bonus	Yes
	Mr. Jinen Ghelani	183,900			Yes
	Mr. Hardik Ghelani	114,800			Yes
	NH Time Investments Research Pvt. Ltd.	110,000			Yes
	Prosperity Securities Pvt. Ltd	96,000			Yes
	Mr. C.C Ghelani	30,000			Yes
	Mr. Rujit Kutmutiya	25,000			No
	Ms. Amisha Mehta	21,360			No
	Ajaykumar Agrawal & sons HUF	20,000			No
	Mr. Rakesh P. Vijay	20,000			No
	Mrs. Ameesha Karia	19,860			Yes
	Mrs. Neha Ghelani	19,100			Yes
	Mr. Himanshu Bhatt	10,000			No
	Mr. Sameer Rajguru	8,000			No
	Kajal Kundaliya	5,100			No
	Mrs. Manisha Ghelani	5,000			Yes
	Mr. NikunjVora	3,500			No
	Mr. Kiran Bharat Shah	3,000			No
	Jayant Mehta HUF	2,580			No
	Mr. Amarlal Raheja	2,000			No
	Mr. Ravindra Gadgil	1,500			No
	Mr. Sandeep Pandya	400			No
	Mr. Jenny D'Silva	400			No

Further certain shares which were partly paid shares have been made fully paid up during the last one year. The details of these are as below:

- 1) 2,27,000 shares of Mr. Hiren Ghelani bearing issue price of ₹ 10 per share were made fully paid on July 31, 2015 and further 1,48,488 bearing issue price of ₹ 10 per share were made fully paid up on December 31, 2015.
- 2) 10,000 shares of Mrs. Neha Ghelani bearing issue price of ₹ 35 per share were made fully paid up on December 31, 2015.
- 3) 5,000 shares of Mrs. Kajal Kundaliya which bearing issue price of ₹ 35 per share were made fully paid up on December 31, 2015.
- 4) 98,000 shares of Mr. Hardik Ghelani bearing issue price of ₹ 35 per share were made fully paid up on December 31, 2015.
- 5) 32,500 shares of Prosperity Securities Pvt. Ltd bearing issue price of ₹ 35 per share were made fully paid up on December 31, 2015.

## f) Shareholding of our Promoters

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

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Shares	% of Pre-Issue Capital	% of Post-Issue Capital	Lock – in Period
Mr. Jinen Ghelani									
February 08, 2008	Further Allotment	Cash	13,900 <sup>(2)</sup>	10	10	13,900	0.46%	-	N.A. <sup>(2)</sup>
March 31, 2008	Further Allotment <sup>(1)</sup>	Cash	1,66,100 <sup>(2)</sup>	10	10	1,83,900	6.04%	-	N.A. <sup>(2)</sup>
			3,900					0.11%	3 years
May 21, 2016	Bonus Allotment	Other than Cash	1,81,100	10	Nil	3,67,800 <sup>(2)</sup>	12.09%	5.37%	3 years
			2,800						1 year
Mr. Hiren Ghelani									
June 12, 2007	Further Allotment	Cash	90,000 <sup>(4)</sup>	10	10	90,000	2.96%	-	N.A. <sup>(4)</sup>
February 08, 2008	Further Allotment	Cash	3,000 <sup>(4)</sup>	10	10	93,000	3.06%	-	N.A. <sup>(4)</sup>
March 31, 2008	Further Allotment <sup>(3)</sup>	Cash	4,22,000 <sup>(4)</sup>	10	10	8,18,000	26.88%	-	N.A. <sup>(4)</sup>
			3,03,000					8.67%	1 year
January 06, 2016	Transfer	Cash	2,000	10	35	8,20,000	26.95%	8.73%	1 year
May 21, 2016	Bonus Allotment	Other than Cash	4,40,000	10	Nil	16,40,000 <sup>(4)</sup>	53.89%	32.21%	3 years
			3,80,000						1 year
NH Time Investments Research Pvt. Ltd.									
February 08, 2008	Further Allotment	Cash	10,000 <sup>(6)</sup>	10	10	10,000	0.33%	-	N.A. <sup>(6)</sup>
March 31, 2008	Further Allotment <sup>(5)</sup>	Cash	24,000 <sup>(6)</sup>	10	10	1,10,000	3.61%	-	N.A. <sup>(6)</sup>
			76,000					2.18%	3 years
May 21, 2016	Bonus Allotment	Other than Cash	24,000	10	Nil	2,20,000 <sup>(6)</sup>	7.23%	5.32%	3 years
			86,000						1 year

<sup>(1)</sup> These 1,70,000 shares were originally allotted as partly paid up shares wherein ₹ 1 per share was paid on allotment. Subsequently, 52,222 equity shares were made fully paid up vide Board Resolution dated March 31, 2013; 1,17,778 equity shares were made fully paid up vide Board Resolution dated March 31, 2015.

<sup>(2)</sup> Out of total holding of Mr. Jinen Ghelani, shares aggregating to 1,80,000 equity share are offered for sale through this Prospectus.

<sup>(3)</sup> These 7,25,000 shares were originally allotted as partly paid up shares wherein ₹ 1 per share was paid on allotment. Subsequently, 1,34,166 equity shares were made fully paid up vide Board Resolution dated March 31, 2015; 2,15,346 equity shares were made fully paid up vide Board Resolution dated May 30, 2015; 2,27,000 equity shares were made fully paid up vide Board Resolution dated July 31, 2015; 1,48,488 equity shares were made fully paid up vide Board Resolution dated December 31, 2015.

<sup>(4)</sup> Out of total holding of Mr. Hiren Ghelani, shares aggregating to 5,15,000 equity share are offered for sale through this Prospectus.

<sup>(5)</sup> These 1,00,000 shares were originally allotted as partly paid up shares wherein ₹ 1 per share was paid on allotment. Subsequently, these equity shares were made fully paid up vide Board Resolution dated March 31, 2015

<sup>(6)</sup> Out of total holding of NH Time Investments Research Pvt. Ltd., shares aggregating to 34,000 equity share are offered for sale through this Prospectus.

Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters has been financed from his personal funds and no loans or financial assistance from any bank or financial institution has been availed for this purpose.

- g) None of the shares belonging to our Promoters has been pledged till date.
- h) The entire Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares offered through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "*Capital Structure*" on page no. 47 of this Prospectus.
- i) There are no transactions in our Equity Shares during the past six months, which have been purchased/(sold) by our Promoters, his relatives and associates, persons in Promoter Group (as defined under sub-clause (zb) sub regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of the Company except as mentioned below:

Date of Transfer	Name of Transferor	Name of Transferee	No. of Shares (F.V. ₹10)	Acquisition Price (₹)	Nature of Transaction	Nature of Consideration
January 06, 2016	Mr. Jinisha Mehta	Prosperity Securities Pvt. Ltd.	13,000	30	Transfer	Cash
	Prosperity Securities Pvt. Ltd.	Mr. Kiran Shah	3000	30	Transfer	Cash
	Nilesh & Dolly Gotecha	Mr. Hiren Ghelani	2,000	35	Transfer	Cash
	Ms. Dimple Khetan	Mr. Sameer Rajguru	8,000	20	Transfer	Cash
	Mr. Vinay Goel	Prosperity Securities Pvt. Ltd.	4,000	35	Transfer	Cash
	Ms. Jinisha Mehta	Mrs. Ameesha Karia	8,360	25	Transfer	Cash
	Jayant Mehta HUF	Mrs. Ameesha Karia	11,500	25	Transfer	Cash

- j) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of the Draft Prospectus.
- k) The shareholding of the Directors of our Promoter, NH Time Investments Research Pvt. Ltd. is as below:

Name of Director of our Promoter	No. of Shares held	% of Pre- Issue share Capital
Mr. Hiren Ghelani	16,40,000	53.89%
Mr. C.C Ghelani	60,000	1.97%
<b>TOTAL</b>	<b>17,00,000</b>	<b>55.86%</b>

## 2) Promoters' Contribution and other Lock-In details:

### i. Details of Promoters' Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoters' contribution ("**Promoters' Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of Promoters	No. of Shares locked in <sup>(1)</sup>	As a % of Post Issue Share Capital
Mr. Jinen Ghelani	1,85,000	5.30%
Mr. Hiren Ghelani	4,40,000	12.60%
NH Time Investments Research Pvt. Ltd.	1,00,000	2.86%
<b>Total</b>	<b>7,25,000</b>	<b>20.76%</b>

<sup>(1)</sup>For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 1(f) under “Notes to Capital Structure” on page no. 48 of this Prospectus.

We confirm that in compliance with regulation 33 of SEBI ICDR Regulations, the minimum Promoters contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or from bonus issue against equity shares which are ineligible for minimum promoters’ contribution.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters’ Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters’ Contribution subject to lock-in.

Hence, the minimum Promoters’ Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters’ Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

We further confirm that our Promoters’ Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

## **ii. Details of Shares locked-in for one year**

- a) Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters’ Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue, other than the Equity Shares allotted and subscribed pursuant to the Offer for Sale.
- b) Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoters has been pledged to any person, including banks and financial institutions.
- c) Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- d) Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

### 3) Pre-Issue and Post Issue Shareholding of our Promoters and Promoter's Group

Set forth is the shareholding of our Promoters and Promoter Group before and after the proposed issue:

Category of Promoters	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
<b>1. Promoters</b>				
Mr. Jinen Ghelani	3,67,800	12.09%	1,87,800	5.38%
Mr. Hiren Ghelani	16,40,000	53.89%	11,25,000	32.21%
NH Time Investments Research Pvt. Ltd.	2,20,000	7.23%	1,86,000	5.32%
<b>2. Promoter Group</b>				
Mr. Hardik Ghelani	2,29,600	7.55%	2,19,600	6.29%
Prosperity Securities Pvt. Ltd	1,92,000	6.31%	1,92,000	5.50%
Mr. C. C. Ghelani	60,000	1.97%	35,000	1.00%
Mrs. Ameesha Karia	39,720	1.31%	39,720	1.14%
Mrs. Neha Ghelani	38,200	1.26%	38,200	1.09%
Mrs. Manisha Ghelani	10,000	0.33%	10,000	0.29%
<b>Total Promoters &amp; Promoter Group Holding</b>	<b>27,97,320</b>	<b>91.93%</b>	<b>20,33,320</b>	<b>58.21%</b>
<b>Total Capital</b>	<b>30,43,000</b>	<b>100.00%</b>	<b>34,93,000</b>	<b>100.00%</b>

### 4) Details of Offer for Sale

The following are the details of the Equity Shares being offered as part of the Offer for Sale:

Sr. No.	Name of Selling Shareholders	Total Number of Equity Shares currently held	Number of Equity Shares offered for the Offer for Sale
1	Mr. Hiren Ghelani*	16,40,000	5,15,000
2	Mr. Jinen Ghelani*	3,67,800	1,80,000
3	NH Time Investments Research Pvt. Ltd.*	2,20,000	34,000
4	Mr. C. C. Ghelani	60,000	25,000
5	Mr. Hardik Ghelani	2,29,600	10,000

*\*For details regarding the build up of the shares being offered in Issue for Sale by Mr. Hiren Ghelani, Mr. Jinen Ghelani and NH Time Investment Research Pvt. Ltd. please refer Note no. 1(f) under "Notes to Capital Structure" on page no. 48 of this Prospectus*

Set forth below are the details of the build-up of Equity Shares offered for the Issue for Sale by the other respective Selling Shareholders:

Date of Allotment	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)
<b>Mr. C. C. Ghelani</b>					
March 31, 2008	Further Allotment	Cash	25,000	10	10
<b>Mr. Hardik Ghelani</b>					
March 24, 2007	Subscription to MoA	Cash	5,000	10	10
February 08, 2008	Further Allotment	Cash	5,000	10	10



**5) The top ten shareholders of our Company and their Shareholding is as set forth below:**

a) The top ten Shareholders of our Company as on the date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Mr. Hiren Ghelani	16,40,000	53.89%
2	Mr. Jinen Ghelani	3,67,800	12.09%
3	Mr. Hardik Ghelani	2,29,600	7.55%
4	NH Time Investments Research Pvt. Ltd.	2,20,000	7.23%
5	Prosperity Securities Pvt. Ltd.	1,92,000	6.31%
6	Mr. C.C Ghelani	60,000	1.97%
7	Rujit Kutmutiya	50,000	1.64%
8	Ms. Amisha Mehta	42,720	1.40%
9	Ajaykumar Agrawal & sons HUF	40,000	1.31%
10	Mr. Rakesh P. Vijay	40,000	1.31%
<b>Total</b>		<b>28,82,120</b>	<b>94.71%</b>

b) The top ten Shareholders of our Company ten days prior to date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Mr. Hiren Ghelani	16,40,000	53.89%
2	Mr. Jinen Ghelani	3,67,800	12.09%
3	Mr. Hardik Ghelani	2,29,600	7.55%
4	NH Time Investments Research Pvt. Ltd.	2,20,000	7.23%
5	Prosperity Securities Pvt. Ltd.	1,92,000	6.31%
6	Mr. C.C Ghelani	60,000	1.97%
7	Rujit Kutmutiya	50,000	1.64%
8	Ms. Amisha Mehta	42,720	1.40%
9	Ajaykumar Agrawal & sons HUF	40,000	1.31%
10	Mr. Rakesh P. Vijay	40,000	1.31%
<b>Total</b>		<b>28,82,120</b>	<b>94.71%</b>

c) The top ten Shareholders of our Company two years prior to date of this Prospectus are

Sr. No.	Particulars	No. of Shares	% of Shares of then Paid-up Equity Capital
1	Mr. Hiren Ghelani	8,18,000	47.52%
2	Mr. Rajesh Ghevaria	2,00,000	11.62%
3	Mr. Jinen Ghelani	1,83,900	10.68%
4	NH Time Investments Research Pvt. Ltd.	1,10,000	6.39%
5	Mr. Amarlal Raheja	1,00,000	5.81%
6	Jayant Mehta HUF	64,080	3.72%
7	Prosperity Securities Pvt. Ltd	58,500	3.40%
8	Mr. C. C Ghelani	30,000	1.74%
9	Dimple Khetan	28,000	1.63%
10	Ms. Amisha Mehta	21,360	1.24%
10	Mr. Jinisha Mehta	21,360	1.24%
<b>Total</b>		<b>16,35,200</b>	<b>94.99%</b>

6) Neither the Company, nor it's Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.

7) None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled “Our Management” beginning on page no. 117 of this Prospectus.

- 8) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "*Issue Procedure*" beginning on page no. 210 of this Prospectus.
- 9) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 10) An over-subscription to the extent of 10% of the Fresh 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 lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 11) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
- 12) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
- 13) As on date of this Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
- 14) There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 15) All Equity Shares transferred pursuant to this Issue will be fully paid up at the time of Allotment and there are no partly-paid-up Equity Shares as on the date of this Prospectus.
- 16) Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
- 17) We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in the Prospectus.
- 18) As on date of the Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
- 19) Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- 20) Except for the sale of Equity Shares by some of the members of our Promoters / Promoter Group in the Issue, our Promoters, Promoter Group, Group Companies will not participate in the Issue.
- 21) The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- 22) Our Company has Twenty Three (23) shareholders, as on the date of this Prospectus.
- 23) Our Company has not revalued its assets and we do not have any revaluation reserves till date.
- 24) Our Company has not made any public issue since its incorporation.

## 25) Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date of this Prospectus

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants)(X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			Total As a % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class-Equity	Class	Total								
(A)	Promoter & Promoter Group	9	27,97,320	-	-	27,97,320	91.93%	27,97,320	-	27,97,320	91.93%	-	91.93%	-	-	-	-	27,97,320
(B)	Public	14	2,45,680	-	-	2,45,680	8.07%	2,45,680	-	2,45,680	8.07%	-	8.07%	-	-	-	-	20,000
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	23	30,43,000	-	-	30,43,000	100.00%	30,43,000	-	30,43,000	100.00%	-	100.00%	-	-	-	-	28,17,320

Public Shareholders holding more than 1% of the pre-issue paid-up capital of our Company

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Issue Share Capital
1	Mr. Rujit Kutmutiya	50,000	1.64%
2	Ms. Amisha Mehta	42,720	1.40%
3	Ajaykumar Agrawal & sons HUF	40,000	1.31%
4	Mr. Rakesh P. Vijay	40,000	1.31%
<b>Total</b>		<b>1,72,720</b>	<b>5.68%</b>

## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

#### *The Offer for Sale*

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders.

#### *The Fresh Issue*

The Objects of the Fresh Issue is to raise funds for:

- (a) Long term working capital requirement;
- (b) General Corporate Purposes, and
- (c) Issue related expenses

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

#### **Fresh Issue Proceeds & Net Fresh Issue Proceeds**

The details of the proceeds of the Issue are set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Gross Proceeds from the Fresh Issue	270.00
2	Company's share of Issue related Expenses <sup>(1)</sup>	38.00
	<b>Net Proceeds from the Fresh Issue</b>	<b>232.00</b>

<sup>(1)</sup> Except for the Regulatory related expenses, which will be borne by our Company, all other expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed to the Issue. The Issue expenses are estimated expenses and subject to change.

#### **Requirement of Funds and Means of Finance**

The fund requirements described below are based on internal management estimates and our Company's current business plan and have not been appraised by any bank, financial institution.

We intend to utilise the Net Proceeds of the Fresh Issue ("Net Proceeds") of ₹ 232.00 lakhs for financing the objects as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Long term working capital requirement	168.00
2	Expenditure for General Corporate Purposes	64.00
	<b>Total</b>	<b>232.00</b>

The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed there under.

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 / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “Risk Factors” beginning on page no. 10 of this Prospectus.

## DETAILS OF THE FUND REQUIREMENTS

### 1) Long term working capital requirement

Our business is working capital intensive and we avail majority of our working capital from our Bankers and the balance in funded through internal accruals. As on this date of the Prospectus, we have been sanctioned cash credit limits of ₹ 168.00 lakhs.

We expect a further increase in the working capital requirements in view of current and potential business operations that we may undertake. Accordingly, we have proposed to use ₹ 168.00 lakhs out of the issue proceeds to meet the increase in long term working capital requirements.

( ₹ in lakhs)

Sr. No	Particulars	31.03.2016	30.09.2016	31.03.2018
		Audited	Audited	Estimated
<b>A.</b>	<b>Current Assets</b>			
	Inventories	168.22	169.95	276.62
	Receivables	257.38	225.66	408.02
	Other Current Assets	85.53	163.62	123.16
	<b>Total Current Assets</b>	<b>511.13</b>	<b>559.23</b>	<b>807.80</b>
<b>B.</b>	<b>Current Liabilities</b>			
	Trade Payables	74.53	55.61	109.12
	Other Current Liabilities and Provisions	48.94	42.88	70.68
	<b>Total Current Liabilities</b>	<b>123.47</b>	<b>98.49</b>	<b>179.80</b>
<b>C.</b>	<b>Working Capital Gap (A-B)</b>	<b>387.65</b>	<b>460.74</b>	<b>628.00</b>
<b>D.</b>	<b>Fund-based working capital limited used/ estimated from bank</b>	<b>157.53</b>	<b>221.24</b>	<b>220.00</b>
<b>E.</b>	<b>Internal Accruals available for working capital</b>	<b>230.12</b>	<b>239.49</b>	<b>240.00</b>
<b>F.</b>	<b>Working Capital funding through IPO proceeds</b>	<b>-</b>	<b>-</b>	<b>168.00</b>

As per our estimates we would require ₹ 168.00 lakhs out of the issue proceeds to meet the working capital requirements.

We have estimated future working capital requirements based on the following:



Particulars	Basis	31.03.2016	30.09.2016	31.03.2018
		Audited	Audited	Estimated
Receivables/ Debtors	Debtors Collection Period on Turnover	45	59	59
Inventories	Inventory Holding Period on Turnover	29	45	40
Other Current Assets	On turnover	15	43	18
Trade Payables / Creditors	Creditors Payment Period on Purchases	20	20	25
Other Current Liabilities	On Cost of Goods Sold	15	16	17

In order to scale our business of dealing in fruits and vegetables geographically, within India and also exports, we foresee our inventories holding period and Receivables collection period to go up substantially in F.Y. 2017-18.

## 2) General Corporate Purposes

We propose to deploy ₹ 64.00 lakhs, aggregating to 23.70% of the Proceeds of the Fresh Issue towards general corporate purposes, including but not restricted to for our working capital requirements, bank deposits, deposits for renting or otherwise acquiring business premises, margin money, acquiring business assets, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, starting new products or services, obtaining new or enabling accreditations and licenses, investment in business venture, strategic alignment, strategic initiatives as per the objects of the Company, expansion into new geographies, investment in securities, brand building exercises, strengthening of our marketing capabilities, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose.

## ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ 60.50 lakhs, which is 22.41% of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and reimbursements of Market Making fees (1 <sup>st</sup> year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	38.00	62.81%	5.22%
2	Brokerage and selling commission	1.00	1.65%	0.14%
3	Printing & Stationery, Distribution, Postage, etc.	1.50	2.48%	0.21%
4	Advertisement and Marketing Expenses	2.00	3.31%	0.27%
5	Stock Exchange Fees, Regulatory and other Expenses	18.00	29.75%	2.47%
<b>Total</b>		<b>60.50</b>	<b>100.00%</b>	<b>8.31%</b>

- 1) Except for the Listing Fees, ROC Charges & the Market Making Fees, which will be borne by our Company, all other expenses relating to the Issue as mentioned above will be borne by the Company and Selling Shareholders in proportion to the Equity Shares contributed to the Issue. The Issue expenses are estimated expenses and subject to change.
- 2) The SCSBs and other intermediaries will be entitled to a commission of ₹ 50 per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them
- 3) The SCSBs would be entitled to processing fees of ₹ 25 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

- 4) *Further the SCSBs and other intermediaries will be entitled to selling commission of 0.05% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.*
- 5) *The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.*

### **Appraisal and Bridge Loans**

The Objects of fresh issue and deployment of funds have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

### **Year wise Deployment of Funds / Schedule of Implementation**

The entire Fresh Issue size is proposed to be deployed in the Financial Year 2017 – 18.

### **Monitoring of Utilization of Funds**

There is no requirement for a monitoring agency as the Issue size is less than ₹ 50,000 lakhs. Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

### **Interim Use of Funds**

Pending utilization of the Net Proceeds 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.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

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## **Other Confirmations**

No part of the Fresh Issue Proceeds will be paid by our Company as consideration to our Promoters, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business and in compliance with applicable law.

## BASIC TERMS OF ISSUE

### Terms of the Issue

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

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

### Authority for the Issue

The present Issue has been authorized pursuant to a resolution of our Board dated March 06, 2016 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 March 30, 2016.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated March 02, 2016. The No. of Equity Shares offered by each Selling Shareholders is as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hiren Ghelani	5,15,000
2	Mr. Jinen Ghelani	1,80,000
3	NH Time Investments Research Pvt. Ltd.	34,000
4	Mr. C. C. Ghelani	25,000
5	Mr. Hardik Ghelani	10,000
	<b>Total</b>	<b>7,64,000</b>

The Selling Shareholders have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale

### Other Details

<b>Face Value</b>	The Equity Shares having a face value of ₹ 10 each are being offered in terms of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
<b>Issue Price</b>	The Equity Shares pursuant to this Prospectus are being offered at a price of ₹ 60 each.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 2,000 (Two Thousand) and in multiples of 2,000 thereafter; subject to a minimum allotment of 2,000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	Applications should be for a minimum of 2,000 equity shares and in multiples of 2,000 equity shares thereafter. The entire Issue Price of the equity shares of ₹ 60 per share (₹ 10 face value + ₹ 50 premium) is payable on application.  In case of allotment of lesser number of equity shares than the number applied, the excess amount paid/ blocked on application shall be refunded / unblocked to the applicants.

<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank <i>pari-passu</i> in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.
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### Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

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

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company and the Selling Shareholders in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 60 per Equity Shares and is 6.00 times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Business Overview” beginning on page nos. 10, 142 and 88 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- ✓ Experienced management team
- ✓ Existing client relationship
- ✓ Diversified but synergistic businesses
- ✓ Existing relationships with suppliers
- ✓ Well trained and skilled manpower

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Business Overview – Our Strengths” on page no. 89 of this Prospectus.

### Quantitative Factors

Information presented in this chapter is derived from restated financial statements prepared in accordance with Indian GAAP.

#### 1) Earnings per Share (EPS)

Year ended March 31,	Basic & Diluted EPS (in ₹)	Weight
2016	0.97	3
2015	0.59	2
2014	0.98	1
<b>Weighted Average</b>	<b>0.85</b>	

Basic and diluted EPS for the six months ended September 30, 2016 was ₹ 0.84

#### Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net Profit / (Loss), as restated, attributable to Equity Shareholders}}{\text{Weighted Average No. of Equity Share outstanding during the year}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net Profit / (Loss), as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted Average No. of Equity Share outstanding during the year}}$$

- c. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- d. The face value of each Equity Share is ₹ 10.



## 2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 60 per share of ₹ 10 each

Particulars	P/E Ratios
P/E ratio based on basic and diluted EPS as at March 31, 2016	61.86
P/E ratio based on basic and diluted weighted average EPS as at March 31, 2016	71.00

P/E ratio based on basic and diluted EPS for the six month as at September 30, 2016 is 71.43

## 3) Return on Net Worth (RoNW)

Year ended March 31	RoNW (%)	Weight
2016	7.31	3
2015	3.37	2
2014	5.09	1
<b>Weighted Average</b>	<b>5.63</b>	

RoNW for the six months period ended September 30, 2016 was 6.43%

**Note:** Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net Profit / (Loss), as restated, attributable to Equity Shareholders}}{\text{Net Worth excluding Preference Share Capital}}$$

## 4) Minimum Return on Net Worth (RoNW) after Issue needed to maintain the Pre-Issue Basic & diluted EPS for the FY 2015-16 (based on Restated Financials) at the Issue Price of ₹ 60 is 5.29%.

## 5) Net Asset Value (NAV)

Financial Year	NAV (in ₹)
NAV as at September 30, 2016	13.02
NAV as at March 31, 2016	24.36
NAV after Issue	18.34
Issue Price	60.00

**Note:** Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net Worth excluding Preference Share Capital}}{\text{Outstanding No. of Equity Shares at the end of the year}}$$

## 6) Comparison with Industry peers

We believe that there is no other listed company which is specifically comparable to us w.r.t our business model, size and financials.

## 7) The Company and the Selling Shareholders in consultation with the Lead Manager believes that the issue price of ₹ 60 per share 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 Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 6.00 times of the face value i.e. ₹ 60 per share

## STATEMENT OF TAX BENEFITS

To  
The Board of Directors,  
Prime Customer Services Limited  
41/6, 8/A Haji Pir Kirvani Dargah,  
Jamalpur Char Rasta, Nr. Marwari Chal,  
Ahmedabad, Gujarat – 380001

Dear Sirs,

**Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws**

We hereby confirm that the enclosed annexure, prepared by the Management of Prime Customer Services Limited ('the Company'), states the possible tax benefits available to 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 tax laws. 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 which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. The same shall be subject to notes to this annexure.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Prime Customer Services Limited for 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 of intentional misconduct.

For M/s. O. P. Bhandari & Co.,  
Chartered Accountants  
Firm Registration No.:112633W

(O. P. Bhandari)  
Partner  
Membership No. 34409

Place: Ahmedabad  
Date: November 25, 2016

## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO PRIME CUSTOMER SERVICES LIMITED AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2016-17.

### **BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

#### **1. General tax benefits**

##### **A. Dividends**

As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax (MAT) liability.

The Company distributing dividend to its shareholders will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (plus surcharge and education cess).

##### **B. Buy Back of Shares**

As per section 115QA of the Act, an Indian unlisted company will have to be pay 20% tax on ‘distributed income’ on buyback of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from June 1, 2013. Such tax is payable by the company notwithstanding that no income tax is payable on its total income. No deduction shall be allowed to the company or shareholder in respect of the income which has been subject to such distribution tax or the tax thereon.

##### **C. Business Income**

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

##### **D. MAT Credit**

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (‘MAT’) paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- As per Section 115JB, Minimum Alternate Tax (“MAT”) is payable @18.5% of the Book profits computed in accordance with the provisions of this section, where income-tax computed under the normal provisions of the Act is less than 18.5% of the Book profits as computed under the said section. A surcharge on income tax of 5% would be levied if the total income exceeds ₹ 100 lakhs but does not exceed ₹ 1000 lakhs. A surcharge at the rate of 10% would be levied if the total income exceeds ₹ 1000 lakhs. Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge.
- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such

MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

### ***E. Capital Gains***

#### **(i) Computation of capital gains**

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as long - term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty - six months to be considered as long - term capital assets.
- Short - term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

#### **(ii) Exemption of capital gains from income – tax**

- Under Section 54EC of the Act, capital gain arising from transfer of long – term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified

therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by -:

1. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  2. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 per assessee during any financial year.
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
  - As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
  - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

#### ***F. Securities Transaction Tax***

As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

### **BENEFITS TO THE RESIDENT MEMBERS / SHAREHOLDERS OF THE COMPANY UNDER THE ACT**

#### ***A. Dividends exempt under section 10(34) of the Act***

As per the provisions of Section 10(34) of the Act, dividend(both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

#### ***B. Capital Gains***

##### ***1. Computation of capital gains***

- Capital assets are to be categorized into short - term capital assets and long - term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long - term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.

- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
  - As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
  - As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% (plus applicable surcharge and cess) with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% (plus applicable surcharge and cess) provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
  - STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
  - As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
  - As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent 8 assessment years.
2. Exemption of capital gains arising from income – tax
- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
  - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long - term asset cannot exceed ₹ 5,000,000 per assessee during any financial year.
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
  - As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
  - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
  - In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
  - As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.



### **C. Tax Treaty Benefits**

As per provisions of Section 90 (2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

### **D. Non-Resident Taxation**

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

## **BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS') UNDER THE ACT**

### **A. Dividends exempt under section 10(34) of the Act**

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

## **B. Long – Term Capital Gains exempt under section 10(38) of the Act**

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

## **C. Capital Gains**

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB & certain securities & government Bonds as mentioned in section 194LD) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Interest on certain securities & government bonds as mentioned in section 194LD is taxable @5% only.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10%
STCG on sale of equity shares subjected to STT	15%
STCG on sale of equity shares not subjected to STT	30%

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge (as applicable) where the taxable income exceeds Rs. 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

## **D. Securities Transaction Tax**

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains

## **E. Tax Treaty benefits**

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial to them.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors

## **BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT**

### **a. Dividend income**

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

- As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

## **GIFT OF SHARES NOT LIABLE TO TAX, SUBJECT TO SATISFACTION OF CERTAIN CONDITIONS**

- a. Gift of shares would not attract gift tax as such. However, pursuant to section 56 (2) (vii) of the Act, if shares of the company, the fair market value whereof is more than ₹ 50,000 are transferred by the shareholder of the Company to a Hindu Undivided Family or any individual who is not a relative as defined in the explanation to section 56(2)(vi)] of the shareholder, without consideration or for an inadequate consideration, then, the fair market value of the shares or the difference between the fair market value of the shares and the actual consideration, as the case may be, shall be included in the taxable income of the transferee and taxed as per the provisions of the Act.
- b. After the shares of the Company are listed, transfer of the shares of the Company by any person to any partnership firm, Limited Liability Partnership or closely held company would not attract tax liability under section 56(viia) in the hands of the transferee in a case where the transfer is effected without any consideration or for an inadequate consideration.

### **Notes:**

1. The tax benefits listed above are not exhaustive.
2. The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences.
3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
4. 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.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Stock Exchange(s) and Securities and Exchange Board of India.

**For M/s. O. P. Bhandari & Co.,**  
**Chartered Accountants**  
**Firm Registration No.:112633W**

**(O. P. Bhandari)**  
**Partner**  
**Membership No. 34409**

**Place: Ahmedabad**  
**Date: November 25, 2016**

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, 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.*

### OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

#### Global Scenario

The US economy slowed in the first half of 2016, despite the higher than expected upturn in Q2. The impetus from private consumption, non-residential fixed investment and exports was offset by drops in inventory accumulation, residential fixed investment and government spending. Investment in Q2 declined for three consecutive quarters as companies cut back spending on oil wells, equipment and inventories. In Q3, factory activity contracted for the first time in six months in August amidst slumping orders and production.

In the Euro area, growth decelerated from Q1 to Q2, both sequentially and y-o-y. Net exports and consumer spending supported growth, but fixed investment and inventories operated as drags. Industrial production contracted in July. The re-emergence of stress in some parts of the banking sector in Q3 tightened financial conditions. However, economic sentiment improved in September in its major economies. The Japanese economy decelerated in Q2 after a modest improvement in Q1, as weak domestic consumption and sluggish external demand prompted companies to cut capital spending. In the UK, economic growth was stronger in Q2 than Q1, even as industrial growth was partly offset by a fall in construction activity.

*(Source: Monetary Policy Report, issued by RBI in October, 2016)*

The table below shows the real GDP growth (Q-o-Q, annulised %) –

	2015: Q2	2015: Q3	2015: Q4	2016: Q1	2016: Q2	2016 (P)	2017 (P)
<b>Advanced Economies (AEs)</b>							
US	2.6	2.0	0.9	0.8	1.4	2.2	2.5
Euro Area	1.6	1.2	1.6	2.4	1.2	1.6	1.4
Japan	-1.9	2.1	-1.7	2.1	0.7	0.3	0.1
UK	2.0	1.2	2.8	1.6	2.8	1.7	1.3
Canada	-0.5	2.2	0.5	2.5	-1.6	1.4	2.1
<b>Emerging Market Economies (EMEs)</b>							
China	7.2	7.2	6.0	4.8	7.2	6.6	6.2
Brazil	-9.1	-6.2	-5.1	-1.7	-2.2	-3.3	0.5
Russia*	-4.5	-3.7	-3.8	-1.2	-0.6	-1.2	1.0
South Africa	-2.0	0.3	0.4	-1.2	3.3	0.1	1.0
Korea	1.6	4.8	2.8	2.0	3.2	2.7	2.9
Thailand	2.1	3.6	3.4	4.0	3.2	3.0	3.2
Malaysia	3.6	3.6	4.8	4.0	2.8	4.4	4.8
Mexico	3.3	2.8	1.8	2.0	-0.7	2.5	2.6
Saudi Arabia**	-4.7	2.1	5.9	2.8	-	1.2	2.0
<b>Memo</b>					<b>2015</b>	<b>2016 (P)</b>	<b>2017 (P)</b>
World Output					3.1	3.1	3.4
World Trade Volume					2.7	1.7	1.8 - 3.1

*(Source: Monetary Policy Report, issued by RBI in October, 2016)*

After a lacklustre outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. Global output growth is estimated at about 3 percent (at an annualized rate) for the third quarter of 2016—broadly unchanged relative to the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies, due mostly to a reduced drag from inventories and some recovery in manufacturing output. In contrast, it is matched by an unexpected slowdown in some emerging market economies, mostly reflecting idiosyncratic factors. Forward-looking indicators such as purchasing managers' indices have remained strong in the fourth quarter in most areas.

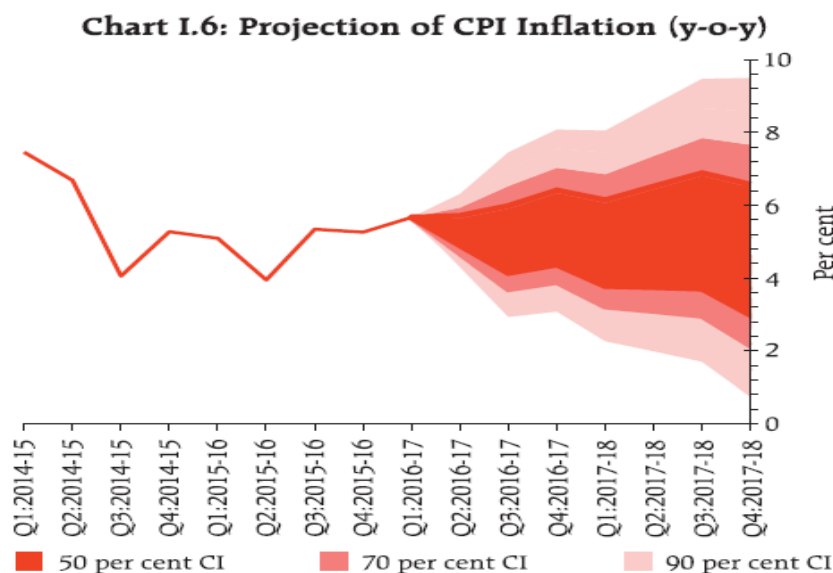
The primary factor underlying the strengthening global outlook over 2017–18 is, however, the projected pickup in EMDEs' growth. As discussed in the October WEO, this projection reflects to an important extent a gradual normalization of conditions in a number of large economies that are currently experiencing macroeconomic strains. EMDE growth is currently estimated at 4.1 percent in 2016, and is projected to reach 4.5 percent for 2017, around 0.1 percentage point weaker than the October forecast. A further pickup in growth to 4.8 percent is projected for 2018.

(Source: *World Economic Outlook Update*, IMF, January 2017)

## Indian Scenario

Daily price collections of sensitive items under pulses, fruits, vegetables and cereals suggest that the seasonal surge in food prices may have peaked in July. Subdued momentum in food inflation in Q3 and the usual seasonal softening of food prices in early Q4, notwithstanding a reversal of base effects in March 2017, improves the near-term outlook for inflation considerably. Commodity prices are expected to remain quiescent over the rest of the year.

Staff's baseline model forecasts, taking into account the revisions in assumptions on initial conditions and augmented by information yielded by these forward looking surveys of various classes of economic agents as well as from lead indicators, set a trajectory that takes consumer price index (CPI) inflation down from 5.7 per cent in Q1 of 2016-17 to 5.0 per cent in Q3 before it firms up moderately to 5.3 per cent in Q4 (the 70 per cent confidence interval lies in a range of 3.9-7.0 per cent).



(Source: *Monetary Policy Report*, issued by RBI in October, 2016)

The depressed private investment climate amidst subdued capacity utilisation and corporate balance sheet deleveraging; depressed global output and trade growth dragging down net exports were some of the key downside risks that could impinge upon the path of growth in 2016-17 highlighted by RBI in its Monetary Policy of April 2016.

While private investment activity remains sluggish, corporate business expectations remain upbeat in the Reserve Bank's industrial outlook survey on improving prospects for production, capacity utilisation, employment and the availability of finance. This positive sentiment was also reflected in business confidence surveys conducted by other institutions. Over the medium-term, the implementation of the GST should boost business confidence and investment, brightening the environment for an acceleration of growth. Other initiatives such as steps to attract foreign direct investment in defence, civil aviation, pharmaceuticals and broadcasting, measures to improve infrastructure, and the enactment of the Insolvency and Bankruptcy Code and the Real Estate (Regulation and Development) Act should also contribute to unlocking entrepreneurial energies and growth impulses.

The real GVA growth to improve from 7.3 per cent in 2016-17:Q1 to 7.6 per cent each in the remaining three quarters of 2016-17 on account of better agricultural prospects. For 2017-18, assuming a normal monsoon, fiscal consolidation in line with the announced trajectory and no major exogenous/policy shock(s), structural model estimates and off-model adjustments, real GVA growth of 7.9 per cent is expected but with downside risks mainly due to lower global demand vis a vis the April 2016.

## **Indian Horticulture Industry:**

### ***Overview***

The need for diversification to horticulture sector was acknowledged by the Government of India in the mid-1980s by focusing its attention on investment in this sector. Presently horticulture has established its credibility in improving income through increased productivity, generating employment and in enhancing exports. Resultantly, horticulture has moved from rural confines to becoming a commercial venture. The Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) of the Ministry of Agriculture & Farmers Welfare (MoA&FW) is the nodal department for over viewing horticulture development in the country. The scenario of horticultural crops in India has become very encouraging. The percentage share of horticulture output in agriculture has become more than 30%.

India's diverse climate ensures availability of all varieties of fresh fruits & vegetables. It ranks second in fruits and vegetables production in the world, after China. As per National Horticulture Database published by National Horticulture Board, during 2012-13 India produced 81.285 million metric tonnes of fruits and 162.19 million metric tonnes of vegetables. The area under cultivation of fruits stood at 6.98 million hectares while vegetables were cultivated at 9.21 million hectares.

India is the largest producer of ginger and okra amongst vegetables and ranks second in production of potatoes, onions, cauliflowers, brinjal, Cabbages, etc. Amongst fruits, the country ranks first in production of Bananas (22.04%), Papayas (40.74%), Mangoes (including mangosteens, and guavas) (32.65%).

The vast production base offers India tremendous opportunities for export. During 2014-15, India exported fruits and vegetables worth ₹ 7474.14 crores which comprised of fruits worth ₹ 2771.32 crores and vegetables worth ₹ 4702.78 crores.

Mangoes, Walnuts, Grapes, Bananas, Pomegranates account for larger portion of fruits exported from the country while Onions, Okra, Bitter Gourd, Green Chilles, Mushrooms and Potatoes contribute largely to the vegetable export basket.

The major destinations for Indian fruits and vegetables are UAE, Bangladesh, Malaysia, UK, Netherland, Pakistan, Saudi Arabia, Sri Lanka and Nepal.

Though India's share in the global market is still nearly 1% only, there is increasing acceptance of horticulture produce from the country. This has occurred due to concurrent developments in the areas of state-of-the-art cold chain infrastructure and quality assurance measures. Apart from large investment pumped in by the private sector, public sector has also taken initiatives and with APEDA's assistance several Centers for Perishable Cargoes and integrated post-harvest handling



facilities have been set up in the country. Capacity building initiatives at the farmers, processors and exporters' levels has also contributed towards this effort.

## Production

India has witnessed voluminous increase in horticulture production over the last few years. Significant progress has been made in area expansion resulting in higher production. Over the last decade, the area under horticulture grew by about 2.7% per annum and annual production increased by 7.0%. During 2013-14, the production of horticultural crops was about 283.5 million tonnes from an area of 24.2 million hectares (ha). Out of the six categories, that is, fruits, vegetables, flowers, aromatic, spices and plantation crops, the highest annual growth of 9.5% is seen in fruit production during 2013-14.

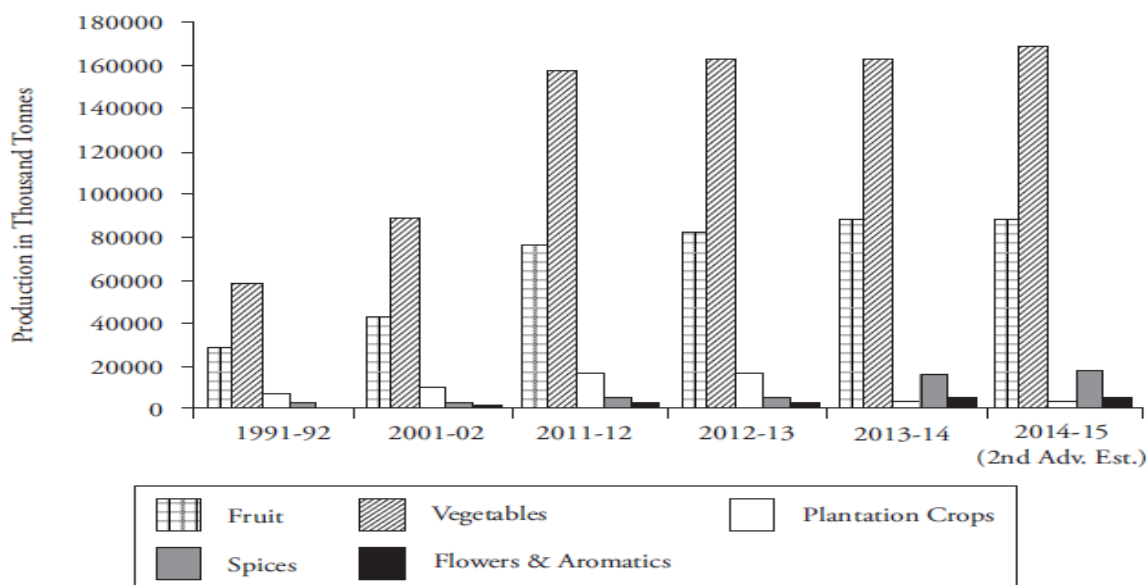


Fig. 1 – Production of various Horticultural Crops over the years: Graph  
Source: Horticultural Statistics, Ministry of Agriculture, Govt. of India

The annual growth in citrus fruits is quite high (10.48%) during 2013-14. This fruit has been contributing 12–13% of total fruit production over the last few years. In 2013-14, the total fruit production was highest in the case of Maharashtra (134.6 lakh tonnes) followed by Andhra Pradesh (105.11 lakh tonnes).

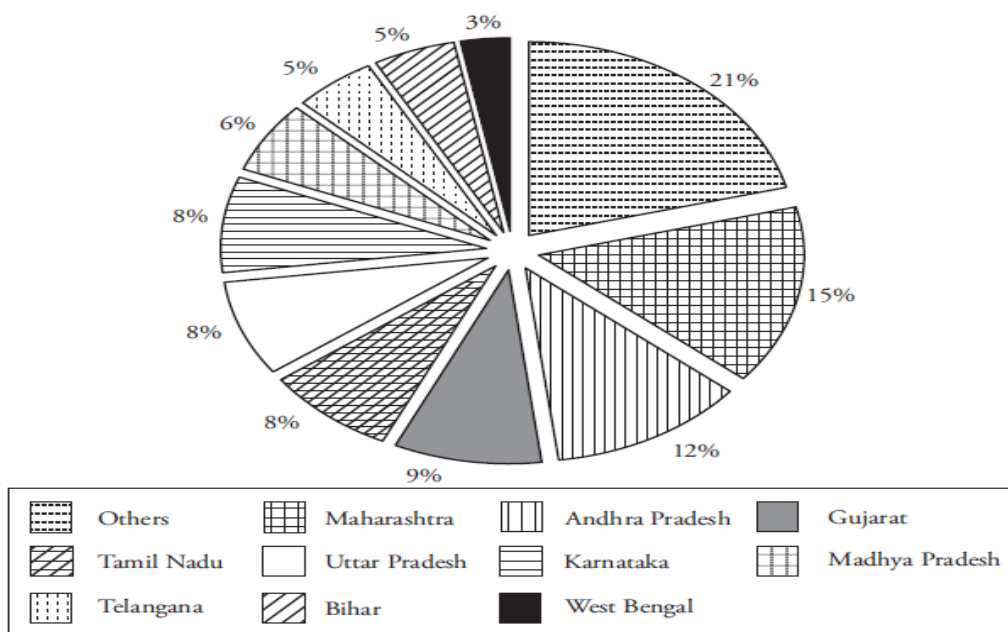


Fig. 2 - Leading Fruit-producing States of 2013-14: Graph  
Source: Horticultural Statistics, Ministry of Agriculture, Govt. of India

Apart from the health improvements, the production of vegetables improves the economy of a country as these are very good source of income and employment. The contribution of vegetables remains highest (59–61%) in horticulture crop productions over the last five years as shown in Figure 3.

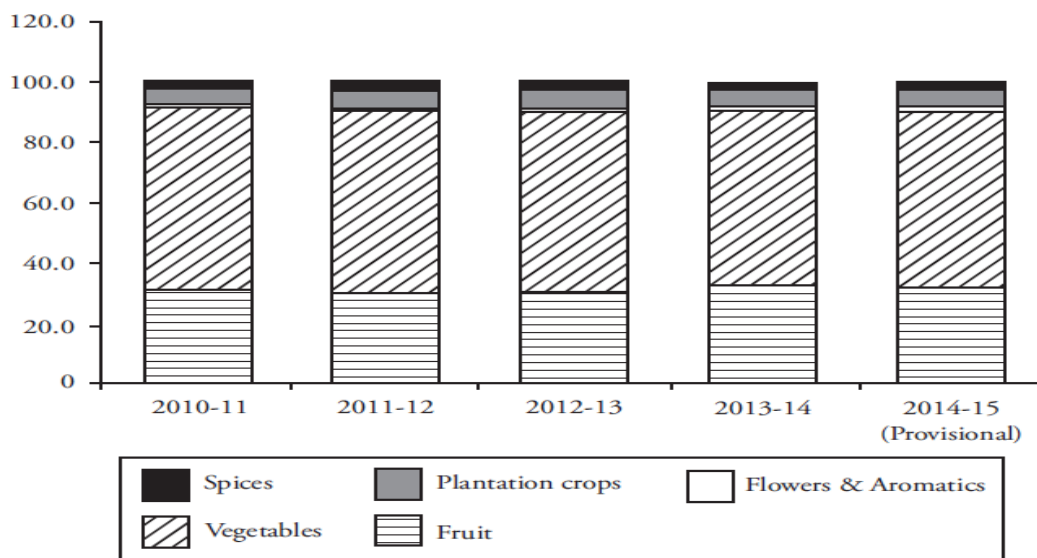


Fig. 3 – Production Share of various Horticultural Crops: Graph  
Source: Horticultural Statistics, Ministry of Agriculture, Govt. of India

During 2013-14, the area under vegetables is estimated at 9.4 million ha with a production of 162.9 million tonnes in India. For this period the total vegetable production was highest in case of West Bengal (23,045 thousand tonnes) followed by Uttar Pradesh (18,545 thousand tonnes). The graphical representation of production share of leading vegetable-producing states of 2013-14 is shown in Figure 4.

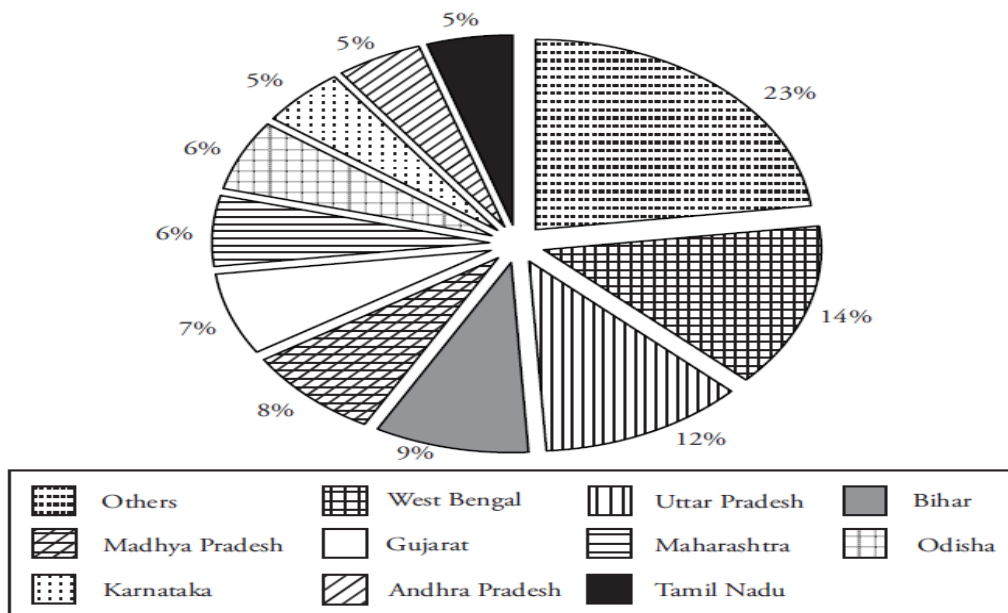


Fig. 4 – Production Share of Leading Vegetable-producing states of 2013-14: Graph  
Source: Horticultural Statistics, Ministry of Agriculture, Govt. of India

Great potentialities exist for cultivation of flowering plants. Increasing trends in area and production of flowers has been observed since 2003-04. In addition to the beautification of the local landscape, great scope exists for export of flowers; and floriculture is important for bee-keeping industry which too provides an alternate source of income to the Indian farmers. The highest production of flowers (loose) was recorded in Tamil Nadu (343.65 thousand tonnes) followed by Karnataka (211.50 thousand tonnes). The graphical representation of the leading flower producing states of 2013-14 is shown at Figure 5.

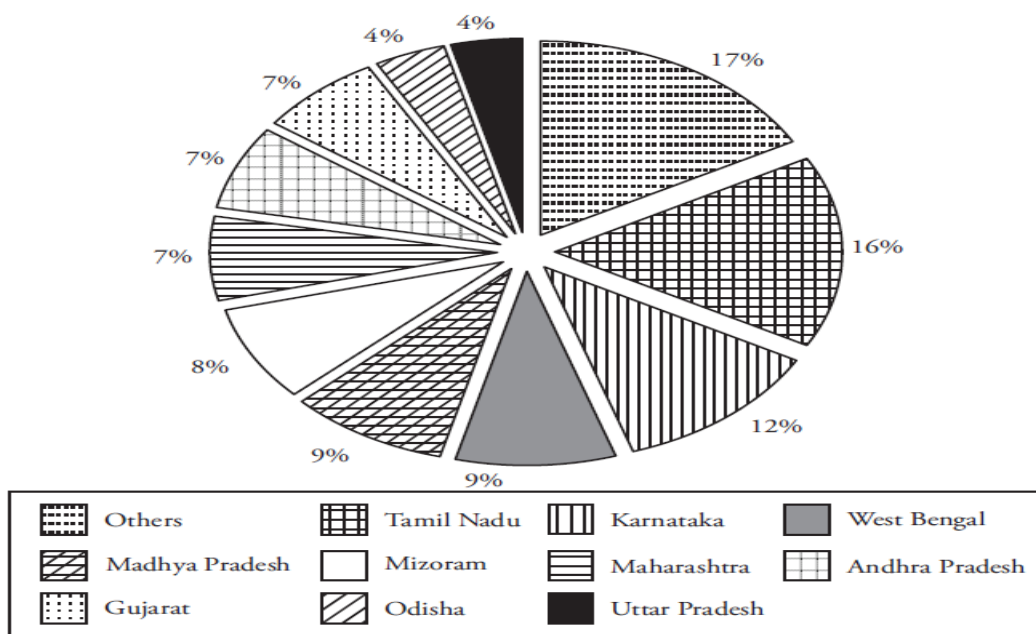


Fig. 5 – Leading Flower-producing states of 2013-14: Graph  
Source: Horticultural Statistics, Ministry of Agriculture, Govt. of India

India witnessed the shift in area from food grains towards horticultural crops over last five years (2010-11 to 2014-15). The area under horticultural crops has been increased about 18% but expansion of area under food grains is only 5% during the stipulated period. The production of horticultural crops has outpaced the production of food grains since 2012-13 as can be seen in Figure.6.

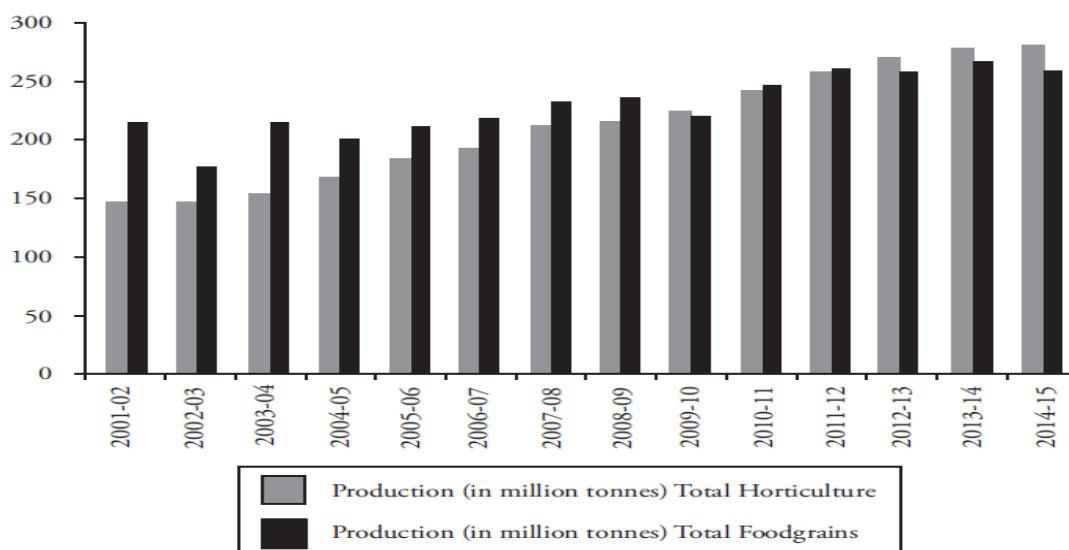


Fig. 6 – Production of Horticulture vis-à-vis Food grains: Graph  
Source: Horticultural Statistics, Ministry of Agriculture, Govt. of India

### Consumption

The nutritional intake from fruits and vegetables is higher among urban population than that of rural population. Along with the urbanization, people are likely to increase their calorie intake at a higher pace through fruits and vegetables—the increase in calorie intake is more than 10% in urban area whereas it is merely 1.89% in rural area over the period from 2004-05 to 2009-10. It is estimated that the per capita fruits availability in our country is less than 200 gm per day, which is far below the recommended quantity of 230 gm per capita per day.

### World Scenario

It is a matter of satisfaction, we are second largest producer of vegetables and fruits and our presence in global market is significant. The different types of fruits are exported to the outside world. Grapes occupies the premier position in exports with 107.3 thousand tonnes valued ₹ 108,649 lakh. Other fruits which have attained significant position in exports are banana and mango. Exports of fresh vegetables (such as peas, potatoes) have been on the rise. However, export of fresh onion has declined from 17 to 12.4 lakh tonnes over the last three years. The development achieved in the horticulture sector is indicative of the fact that there is growing demand for horticulture produce. The past experience have been rewarding for enhanced output from the investment. Availability of timely robust information in this sector will certainly improve the socioeconomic conditions of Indian citizens by providing self-reliance besides environmental protection.

## Cold Storage

### Product Segmentation

The various goods which require cold-chain facilities were segmented into broad product segments, listed in Figure 6:

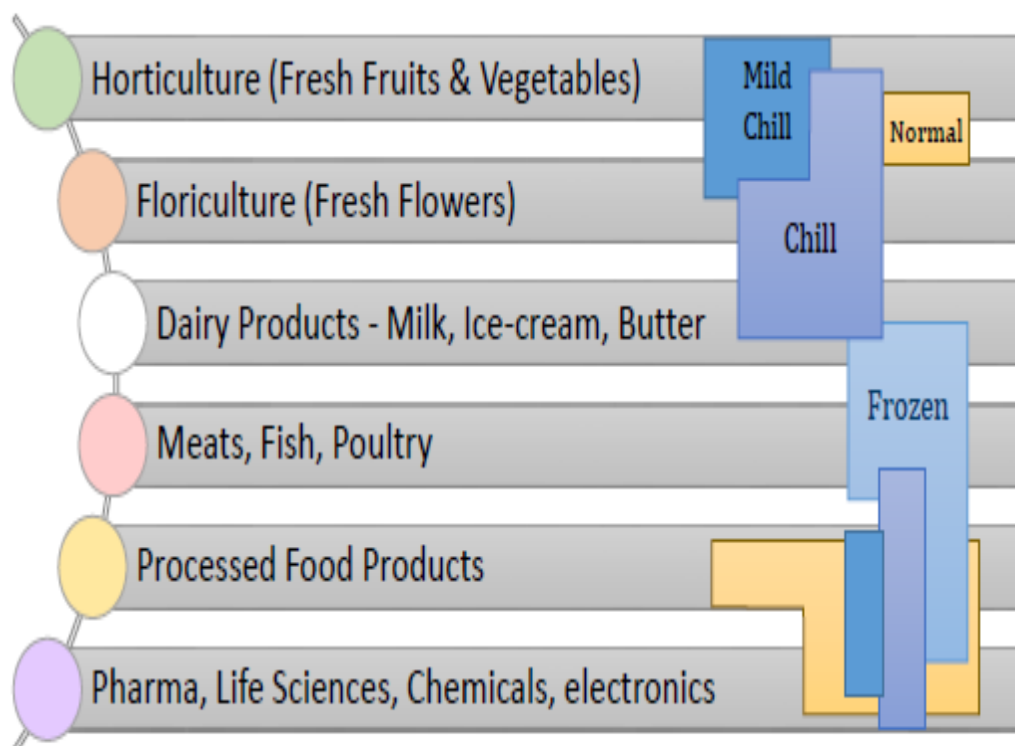


Fig. 6 – Product-wise segmentation of temperature controlled logistic chain

The above listed product segments, have varied holding times, depending on time-temperature combinations and cold-chain infrastructure facilities. The first 3 in the list mostly have a short holding life and the last 3 have a long holding life of many months or even years. Accordingly, the cold-chain facilities play a differentiated role which may be summarized as under:

- For fresh horticulture and floriculture produce, the cold-chain enhances the life cycle of the produce thereby extending its saleable life and time span to reach the end-consumers across geographies. Due to shortage of time, quick logistics connectivity is the driving force.
- For transformed or processed food, the cold-chain protects the status of the manufactured goods till it is consumed. Due to long term holding ability, low cost procurement and a managed product inventory takes precedence.

In both cases, the cold-chain protects value of goods under its care, and the primary benefit of cold-chain goes to the producer/owners of this value, namely the farmers, growers, producer organisations, as well the traders and food processors.

It is also noted that there is scope for synergistic use of infrastructure, between the different user or product segments. In utilising logistics assets, cross utilisation and improved capacity utilisation can be effected if the initial design and planning is in accordance. The most commonly used component between segments is the reefer transport and these are designed to handle in a wide range of conditions.

### *Cold Chain Categories based on Storage Temperatures*

Based on product storage temperature, the using commodities can be broadly classified into 4 categories depicted in Fig. 7.

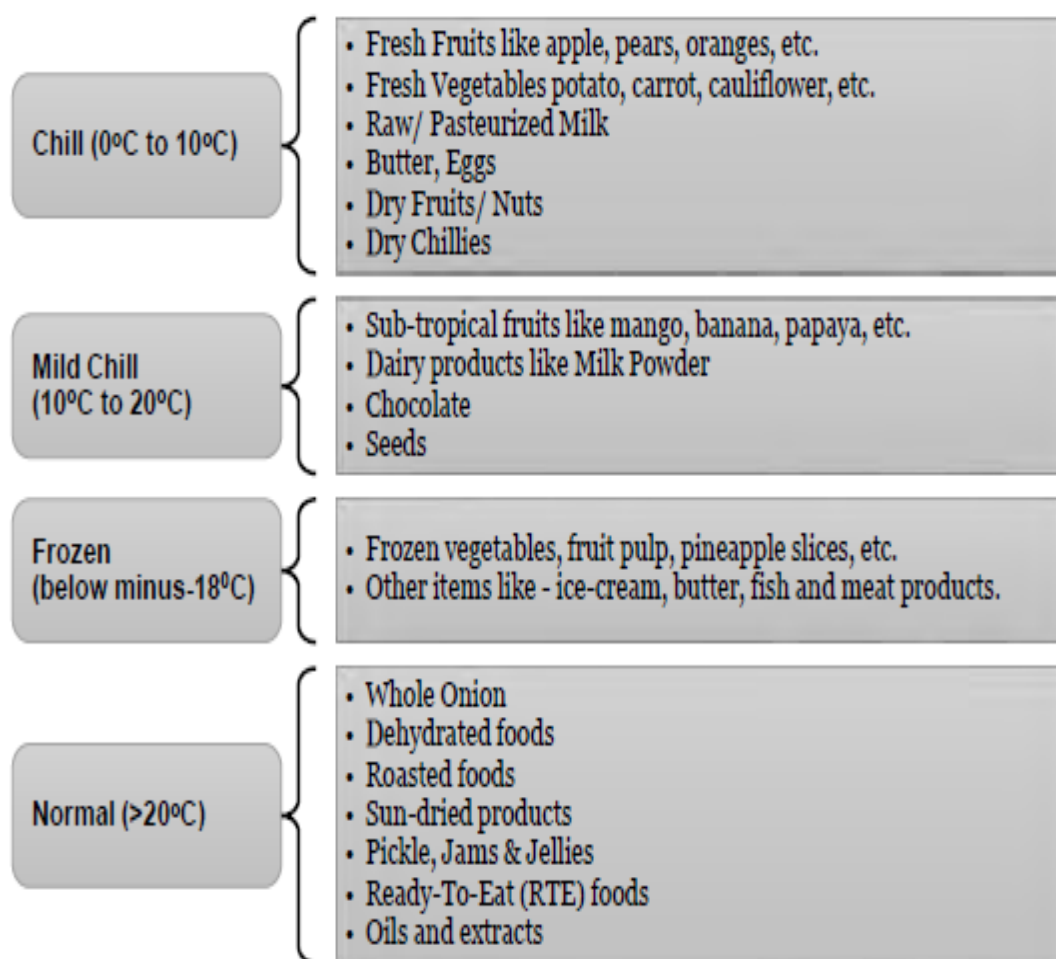


Fig. 7 – Cold-chain storage segmentation based on storage temperature

*State-wise Capacity of Cold Storages in India (31.03.2014)*

S.No	State/UTs	Number of Cold Stores	Capacity in MT
1	Andaman & Nicobar (UT)	2	210
2	Andhra Pradesh	404	1577828
3	Arunachal Pradesh	2	5000
4	Assam	34	119652
5	Bihar	303	1406395
6	Chandigarh (UT)	6	12216
7	Chattisgarh	89	427766
8	Delhi	97	129857
9	Goa	29	7705
10	Gujarat	560	2030873
11	Haryana	295	588649
12	Himachal Pradesh	32	38557
13	Jammu & Kashmir	28	64769
14	Jharkhand	55	217280
15	Karnataka	189	526752
16	Kerala	197	78355
17	Lakshadweep (UT)	1	15
18	Madhya Pradesh	260	1097168
19	Maharashtra	540	706302.6
20	Manipur	1	2175
21	Meghalaya	4	8200
22	Mizoram	3	3931
23	Nagaland	2	6150
24	Odisha	111	326639
25	Puducherry (UT)	3	85
26	Punjab	606	2004778
27	Rajasthan	154	480032
28	Sikkim	2	2000
29	Tamil Nadu	163	295671
30	Tripura	13	39181
31	Uttar Pradesh	2176	13633039
32	Uttarakhand	28	84545
33	West Bengal	502	5901925
<b>Totals</b>		<b>6891</b>	<b>31823700.6</b>

[Source: Ministry of Agriculture & Ministry of Food Processing Industries]

*On the basis of recorded capacity created of cold storages only, as of 31.03.2014. Actual operational / functional capacity may differ as various units may have become non-operational due to redundancy of technology, business model or other reasons. The cold storage capacity built for captive use of individual industry (hospitality, medical, retail, QSR, etc), are not fully reflected in data.*

**Indian scenario**

In October 2014 a report by the Task Force on Cold Chain Projects recommended creation of additional 7.5 million MT cold-chain capacity in the next 5 years under the joint responsibility of the Ministry of Agriculture and the Ministry of Food Processing Industries. Out of 7.5 million MT, DAC can take up 5 million MT under MIDH and MoFPI can take up 2.5 million MT. The capacity needs to be planned to adopt an “end-to-end” approach so as to connect farm-gate to the consumers in a seamless manner.



The base line survey of cold stores, conducted by M/s. Hansa Research for National Horticulture Board under DAC in 2013-14, indicates the segment wise share in number of cold storage is shown in Fig. 8.

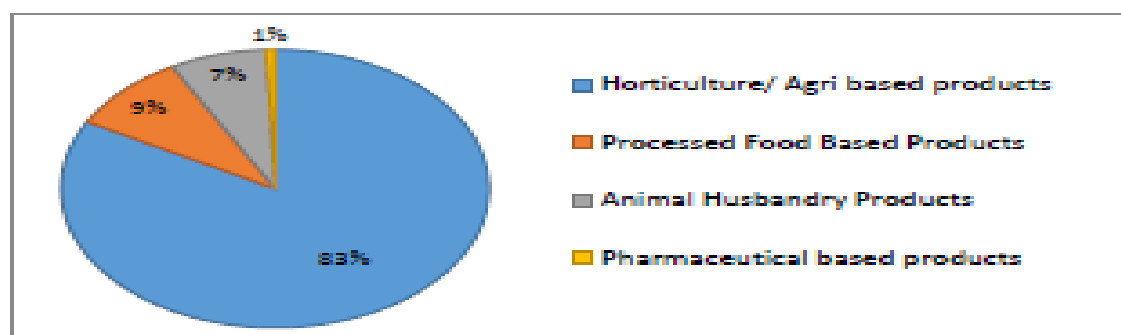


Fig. 8 – Segment-wise segregation of Cold Storages

#### Existing infrastructure of Cold Chain in India:

#	Infrastructure Component	Numbers	Avg Size or capacity (MT)	Remarks
1	Modern Pack-house (PH)	249	NA	Study of secondary data and estimates
2	Cold Storage Hubs (CH)	5367	5003	Baseline Survey (DAC)
3	Cold Storage Bulk (CS)			Baseline Survey (DAC)
4	Ripening Chamber (RC)	812	NA	Study of secondary data and estimates
5	Reefer Transport (T)	9,000	6 to 15 tons	Market estimate
6	Last mile Transport (t)		< 4 tons	Market estimate
7	Retail/ Front-end (FE)	1.968 million outlets	NA	Market estimate

Fig. 9 – Existing Cold-chain Infrastructure in India

Source: Report titled ‘All India Cold-chain Infrastructure Capacity – Assessment of Status and gaps (2015)’ by National Centre for Cold-chain Development (NCCD)

The Task Force on Cold-chain Projects (TFCP-2014) reports that a total of 31.82 million metric tons of cold stores have been created in the country. Of these, a total of 10.58 million tons in cold storage size were created in the last 7 years (from 2007 to 2014), through Central Government Assistance:

- Under MoFPI: total 0.19 million tons capacity is created.
- Under MIDH (NHM/HMNEH/NHB): total 10.39 million tons is created.

As per information from various government departments and agencies, 6891 cold storages have been created of size 31.82 million tons. This information is not further segregated into Cold Storage (Bulk) or Cold Storage (Hub).

#### Warehousing

##### Indian Agricultural Warehousing

Warehousing plays a very vital role in promoting agriculture marketing, rural banking and financing and ensuring Food Security in the country. It enables the markets to ease the pressure during harvest season and to maintain uninterrupted

supply of agricultural commodities during off season. Hence, it solves the problems of glut and scarcity, which are the usual problems in agricultural marketing. Indian transportation and logistics market witnesses new heights; there has been increasing buzz around technology adoption, network optimization, multimodal transportation and improving warehousing. The latter in particular has been evolving rapidly from traditional 'godowns' to modern facilities. Indian logistics market is expected to grow at a CAGR of 12.17% by 2020 driven by the growth in the manufacturing, retail, FMCG and e-commerce sectors.

Agricultural warehousing accounts for fifteen percent of the warehousing market in India and is estimated to be worth ₹ 8,500 crore. It is however perceived to be inadequate and unorganised. More than 40 percent of the agricultural warehouses are run by state enterprises such as FCI, CWC and SWCs.

30 percent of the warehousing capacity is held by unorganised small godown players. These unorganised warehouses lack scale and quality. On the other hand, there are a few large national-level players in the warehousing market which own professionally run warehouses and also provide ancillary services around warehousing.

Although there is no exact data on the number of warehouses present, some of the substantial capacities available in public, cooperative and private sectors are depicted below:

S. No.	Name of Organisation	Storage Capacity (in million metric tonne)
1	Food Corporation of India (FCI)	38.34
2	Central Warehousing Corporation (CWC)	10.30
3	State Warehousing Corporations (SWCs) and State Civil Supplies	34.84
4	Co-operative Sector	15.07
5	Private Sector	18.97
	<b>Total</b>	<b>117.52</b>

Source: Report by the Committee for Strengthening Negotiable Warehouse Receipts by the Warehousing Development and Regulatory Authority in the Country

There exists evidence of lack of warehousing capacity in the country. The warehousing capacity gap estimated by the Planning Commission stands to be at 27 million metric tonnes today. A study on state of Indian farmers in the year 2004 by the Ministry of Agriculture estimated that about 7% of food grains and 30% of fruits and vegetable are lost due to inadequate handling facilities. Approximately, 10% of valuable spices are lost due to lack of proper post-harvest infrastructural facilities. The above post-harvest losses of agricultural commodities in monetary terms have been estimated at about ₹ 44,000 crores.

Out of the total capacity present in the Indian warehousing today, only 19.44 lakh metric tonne (1.94 million metric tonne) has been registered with WDRA by a total of seven hundred and six warehouses of CWC, SWC, Primary Agriculture Co-operative Society (PACS). This corresponds to 1.65% of the overall capacity estimated to be present in the market today.

## BUSINESS OVERVIEW

### Overview of our Business:

#### About our Company:

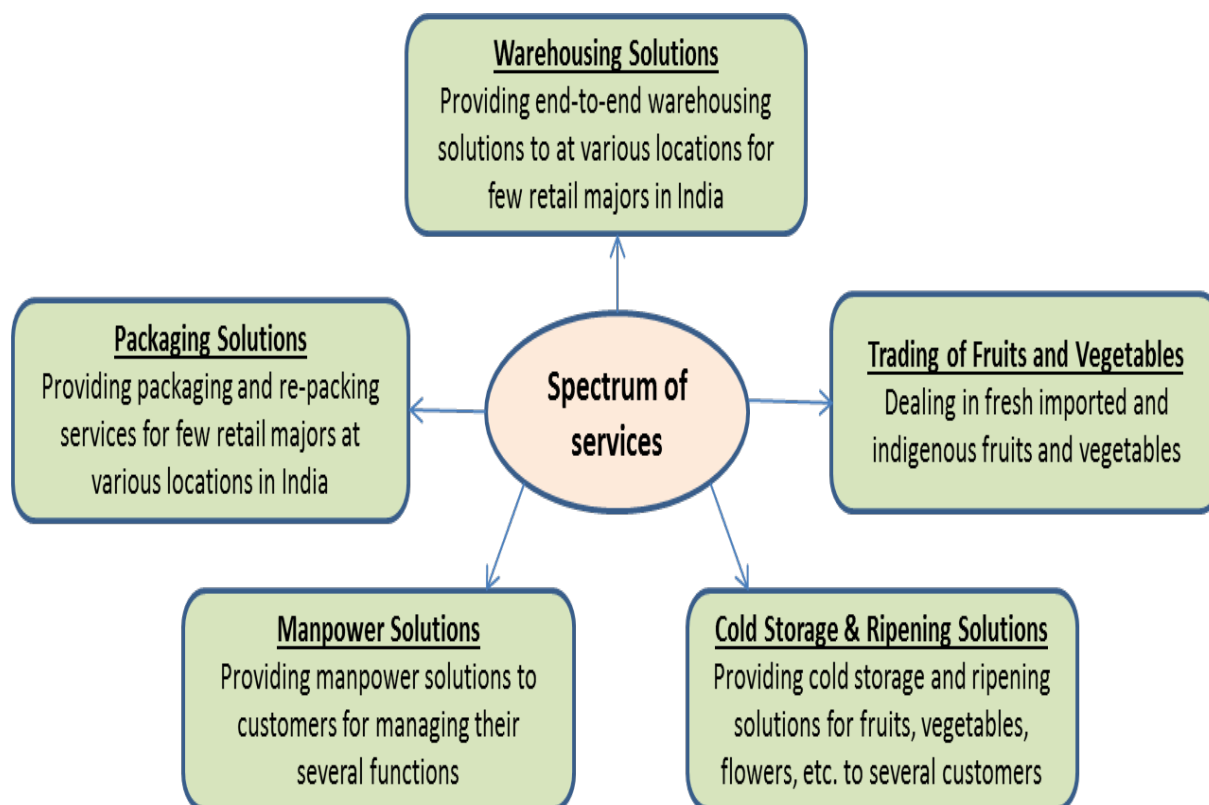
Incorporated in 2007, our Company is a multi-services customer focused organization and offer value added services to a whole range of clients spread across various business segments.

We are engaged in the business of providing services; namely, warehousing solutions, cold storage and ripening solutions, manpower solutions and packaging solutions. We are also engaged in trading of perishable food items, mainly fruits and vegetables in the domestic as well as export markets. Our customers are primarily located in the western India, majorly Gujarat and Maharashtra. We have also started exporting fruits and vegetables in the year 2015-16, currently to U.A.E.

Our Company was originally formed as a private limited company on March 30, 2007. Pursuant to a special resolution dated February 28, 2008, our Company was converted into a public limited company.

Started with an idea to deliver fruits and vegetables at customer door steps with a small warehouse and a designer mobile van shop in the year 2007, the Company has reached a stage where it has entered into tie-up with large corporate from procurement of fruits and vegetables and operate a warehouse facility, cold storage & ripening chambers of approximately 10,180 sq. ft. totally and managing clients' warehouse and cold storage facilities of approximately 2,55,700 sq. ft. currently.

#### Our spectrum of services:



With a strong backward integration and having a team of sourcing experts, our company continuously tries to get best quality F&V directly fresh from farm to its customers or end users. We supply products for Retail, Modern Trade, HoReCa, Foodservice, Wholesale, Governments and Manufacturing customers on regular basis. Food Safety and Traceability are our priority.

Our Company is having a state of art food processing unit at Ahmedabad for storage of various Fruits and Vegetables & Processed Material. The processing unit is strategically located under APMC Market of the city, with all modern equipments for handling & storage of Fruits & Vegetables. It's a Complete Integrated Pack House having facilities such as Pre-cooling & Ripening chamber, Storing/Grading, Processing, Packing and Dispatch area separately maintained with the help of skilled labor. We have our own logistics van/vehicles available for supply of F&V to various stores in and near by the city.

With an aim to provide value added, customer focused service, our company is broadly involved in the field of Manpower Solution in Gujarat. Our service outlook enables our clientele achieve an organizational excellence at every stage of their business.

As per our Restated Financials, our total revenue for the financial year ended on March 31, 2013, 2014, 2015, 2016 and for the period ended on September 30, 2016 was ₹ 1,068.92 lakhs, ₹ 1,747.65 lakhs, ₹ 1961.88 lakhs, ₹ 2,104.66 lakhs and ₹ 1,391.77 lakhs respectively. Our EBITDA for the financial year ended on March 31, 2013, 2014, 2015, 2016 and for the period ended on September 30, 2016 was ₹ 65.30 lakhs, ₹ 62.03 lakhs, ₹ 71.53 lakhs, ₹ 102.53 lakhs and ₹ 58.73 lakhs, respectively. Our profit after tax for financial year ended on March 31, 2013, 2014, 2015, 2016 and for the period ended on September 30, 2016 was ₹ 5.66 lakhs, ₹ 9.87 lakhs, ₹ 8.32 lakhs, ₹ 27.10 lakhs and ₹ 25.49 lakhs respectively.

### **Our Strengths:**

#### ***Experienced management team***

Mr. Jinen Ghelani, our Promoter and Managing Director, has over a decade of entrepreneurial experience, with nearly two decades of experience in the FMCG, food and retail industry. He is the first generation entrepreneur. Mr. Hiren Ghelani, Executive Director has a vast experience in capital markets, finance, business development, new project evaluation and strategy formulation. Our management team also plays an instrumental role in decision making process considering their vast experience in the food and retail industry. We believe we have a well qualified and experienced employee base, which is responsible for the growth in our business operations.

#### ***Existing client relationship***

We constantly try to address customer needs around a spectrum of our services and products. We believe that our services and products help us to get continuous and repeat business from our customers. We have existing client relationships with several large groups in India, including Reliance Retail Limited, Gujarat Tea Processors and Packers Limited, Intas Pharmaceuticals Limited, etc. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

#### ***Diversified but synergistic businesses***

We are into multiple businesses, namely Warehousing Solutions, Packaging Solutions, Manpower solutions, Cold Storage and Ripening solutions and Dealing in fruits and vegetables. Due to the diversity, we have different clients for different businesses. This helps us in cross-selling our services. This also helps us in the growth of our trading business, including other businesses. Our Company operates cold storage and ripening chambers for fruits, vegetables and frozen food items. This is an added advantage to us. Since, we are also into trading business, our suppliers of food items become our customers for cold storage and / ripening solutions business.

#### ***Existing relationships with suppliers***

Our Company has entered into a procurement agreement with few corporate. Further, we also have informal agreements with several of our suppliers for the supply of products. With regards to our services business, our work track record and relationships with our clients and manpower aid us in the development of our business. Being in this business for long span now, we are better placed in procurement segment and negotiations with our suppliers.

### ***Well trained and skilled manpower***

We are hugely dependent on our manpower for all the activities we do. Most of our employees are deployed at our client's site. We impart necessary training to them before deployment. As on October 31, 2016 we employ 22 full-time employees at our registered office and locations operate by us. In addition, we also employ 258 employees at several client locations where we provide manpower. We need skilled as well as semi-skilled workers. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

### **Our Strategies:**

#### ***Exploring export initiatives***

Our Company started exporting fruits and vegetables from FY 2015-16. We are currently exporting to only U.A.E. There is huge potential for Indian fruits and vegetable abroad. We intend to build relationships with foreign buyers and start exports of our products.

#### ***Exploring contract farming***

Our Company plan to start contract farming by entering into agreement with farmers. By this, we will be able to deliver timely and quality products to the market. By entering into such agreement, we would be able to grow our business by mitigating the possible constraints like land availability, farmers discontent, etc. Further our wholly owned subsidiary Florens Farming Private Limited incorporated on December 27, 2016 is engaged in the business of farming, agriculture and horticulture in their respective forms and branches. The wholly owned subsidiary has been setup to undertake commercial agricultural activities which will reduce our dependence on the external farmers.

#### ***Entering into more tie-ups for procurement***

In addition to the existing tie-ups for the supplies and procurement, we plan to enter into more arrangements for the tie-ups. This will aid us in timely delivery of the product and also having fair idea of the purchase price. Due to the high demand for quality food items i.e. fruits and vegetables, a good procurement tie-up will aid us in the growth of our business.

#### ***Expand geographically***

Currently, we have business operations in Gujarat and Maharashtra. We plan to expand geographically in to other states across India. Ours is a regulatory oriented business, we need approvals and license for almost all the activities we do. Every state has different laws pertaining to manpower, trading license, etc. and different mannerism of doing business. However, our experience will play a key role in such expansion and client acquisition.

### **Brief details of our Business:**

#### **1. Warehousing Solutions**

Our Company provides end-to-end warehousing solutions and related services to our customers. Our Company provides manpower to several corporate to manage their warehouses. End-to-end warehouse solutions and services mainly include maintaining records, unloading, storage, loading, etc. Our customers include Fine Tech Corporation Private Limited, a Reliance group entity, Gujarat Tea Processors and Packers Limited (entity owning Wagh Bakri tea brand), etc. We manage approximately 2,23,700 sq. ft. of warehousing area of our customers, which are mainly retail majors of India.

Further, our Company also operates warehouse facility of approximately 2,200 sq. ft. and 330 sq. ft. at our Jamalpur and Naroda Market location respectively. We also provide carrying and forwarding agency services to our customers, wherein we act as an intermediary for the distribution function of our customers.

## 2. Packaging Solutions

In addition to the warehousing solutions, our Company also provides re-packing and packaging services. These includes activities like sorting, grading, bar coding and packing into specific quantity as per the directions of the principal / customer. Our customers include Fine Tech Corporation Private Limited, a Reliance group entity, Intas Pharmaceuticals Limited, etc.

## 3. Manpower solutions

We provide manpower solutions to our customers to manage several functions of their business. We provide skilled, semi-skilled and unskilled labourers to our customers on contract basis. Depending on the requirements of our clients, the scope of our work is defined. We take responsibility of the availability and performance of our manpower. We recruit manpower based on requirement and assessment, impart necessary training and exposure before assigning them to our customers. Our customers include Fine Tech Corporation Private Limited, a Reliance group entity, Gujarat Tea Processors and Packers Limited (entity owning Wagh Bakri tea brand), Intas Pharmaceuticals Limited, Agility Logistics Private Limited, Corona Remedies Private Limited, etc.

## 4. Cold Storage and Ripening solutions

Our Company operates cold storage and ripening chambers for fruits, vegetables, flowers and frozen food items at Jamalpur, Ahmadabad. The unit has warehouse, cold storage – cum – ripening rooms, deep freeze rooms, processing and packing hall, dispatch facility, etc. We operate 10 nos. of cold storage – cum – ripening chambers having total approximate area of 7,500 sq. ft. at Jamalpur, Ahmadabad. In addition, we also operate a cold storage unit at Naroda Market premises having approximate area of 150 sq. ft. The total cold storage capacity operated by us is approximately 230 MT and ripening capacity of approximately 28 MT per day.

Further, we also manage a cold storage facility of Fine Tech Corporation Private Limited, a Reliance group entity at Naroda, Ahmadabad having total of 6 cold storage-cum-ripening chambers having approximate area of 9,000 sq. ft.

## 5. Trading of fruits and vegetables

We trade in fresh fruits and vegetables. We procure goods from farmers; make direct purchase from the market or through direct tie-up for procurement with corporate. We sell also in the open market and also directly to our customers.

### *Our services vis-à-vis current major clients:*

Name of Customer / Principal	Nature of Service	Nature of Products
Fine Tech Corporation Private Limited	Warehousing Solutions and Services, Packaging Solutions, Manpower Solutions	Various kinds of Fruits, vegetables, dairy and frozen products
Intas Pharmaceuticals Limited	Warehousing Solutions and Services (including C&F Agency), Packaging Solutions, Manpower Solutions	Various pharmaceutical products and marketing materials
Gujarat Tea Processors and Packers Limited (entity owning Wagh Bakri tea brand)	Warehousing Solutions and Services (including C&F Agency), Manpower Solutions	All kinds of tea
Agility Logistics Private Limited	Manpower solutions	Various products dealt by Agility Logistics Private Limited
Corona Remedies Private Limited	Manpower solutions	Various Pharmaceutical products
20 Cube Warehousing and Distribution Private Limited	Manpower solutions	Various products dealt by 20 Cube Warehousing and Distribution Private Limited
Desai Fruits and Vegetables	Cold-storage cum ripening solutions	Various kinds of fruits and vegetables
Patidar Agro & Food Products	Cold-storage cum ripening solutions	Various kinds of fruits
Freshdrop Fruits Limited	Trading of Fruits	Various kinds of fruits
Jusqu'a Foods and Beverages Pvt. Ltd	Trading of Fruits	Various kinds of fruits

## **Business Process:**

### **Warehousing Solutions**



1. Receiving goods
  - a. Preparing to receive goods, like assigning staff to do particular duties
  - b. Unload the goods
  - c. Check the product, mainly external damages, etc. and prepare quality check report
  - d. Mark the products for distinguishing
  - e. Enter the product in the receipt register
  - f. Intimating the principal about the receipt of the goods
  - g. Transfer the products for the storage
2. Storage
  - a. Stacking the goods manually according to the particular standards, which are defined in each cases
  - b. Stacking of goods in a safe manner possible
  - c. Maintaining stock register
3. Allocation of goods for dispatch as per location provided by client / principal
  - a. Entering the goods in the outward register
  - b. Re-confirming the right product and quantity is allocated for loading
  - c. Allocating specific docks for the loading of the goods
4. Dispatch / Loading
  - a. Prepare Dispatch Note
  - b. Loading of the goods for dispatch
  - c. Intimating the principal for the dispatch

### **Packaging Solutions**



1. Arrival Quality check
  - a. After unloading, perform arrival check and prepare arrival check report
  - b. Intimating the principal about the receipt of goods
  - c. Removal of goods which do not match the quality and getting confirmation of the same from the principal
2. Sorting and grading
  - a. Goods are sorted and graded based on the instructions of the principal and arrival check report
  - b. Stack the goods in a safe manner possible
  - c. Maintaining stock register
3. Bar coding
  - a. Bar coding is done based on the instructions of the client with the help of bar coding machines.
4. Scanning
  - a. Scanning of goods is a kind of inspection of goods before the packing
  - b. This activity confirms the quantity and quality deterioration, if any.



5. Packing
  - a. Packaging of the products is done based on the requirements of the clients. Packing material is also provided by the client. We mainly provide our manpower and expertise in this entire process.
6. Dispatch / Loading
  - a. Prepare Dispatch Note
  - b. Loading of the goods for dispatch
  - c. Intimating the principal for the dispatch

### Manpower solutions



1. Discussing with clients on their requirements
  - a. Pursuant to the discussion with the client, we understand the requirement of the client w.r.t. scope and functions
2. Entering into contract
  - a. Discussion on the terms and conditions with the clients for the proposed contract
  - b. Signing of the work contract
3. Recruit manpower
  - a. Giving advertisement in the local newspaper for recruitment
  - b. Recruitment of the requisite manpower based on scope of work
4. Impart necessary training
  - a. If required, necessary training is imparted to the newly recruited employees.
5. Take necessary license / approval
  - a. Before the commencement of the work, we take the contract labour license from the appropriate authority
  - b. We also take other necessary approvals, like license to use the premises, medical insurance for our employees, workmen compensation policies, etc.
6. Staff to perform activities as directed by the principal
  - a. General scope of work and manner to do work is finalised and explained to our employees thoroughly
  - b. Principal's supervisors are present to supervise the entire activities
  - c. Discussions with clients for the improvement in the mannerism, scope of work and increase or reduction in the team strength

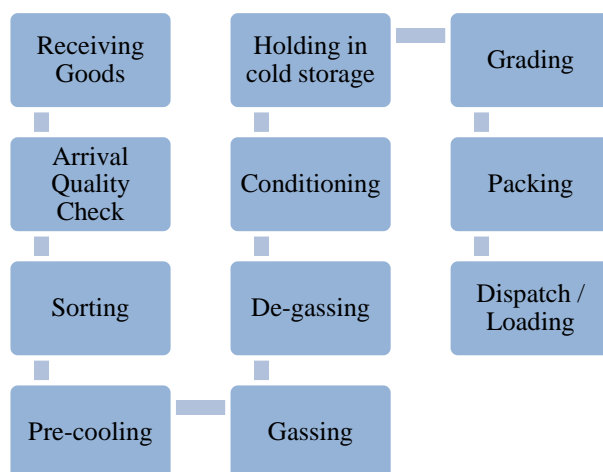
### Cold Storage Solutions



1. Receiving goods / Unloading
  - a. Preparing to receive goods, like assigning staff to do particular duties
  - b. Unload the goods
  - c. Check the product, mainly deterioration, etc. and prepare quality check report
  - d. Mark the products for distinguishing
  - e. Enter the product in the receipt register
  - f. Intimating the client about the receipt of the goods
  - g. Transfer the products for the storage

2. Sorting and Grading
  - a. Goods are sorted and graded based on the arrival check report
  - b. Stacking of goods in a safe manner possible
  - c. Maintaining stock register
3. Cooling
  - a. Goods are entered in to the cold storage rooms at the desired temperature
  - b. Desired temperature is different for different food items
  - c. Goods are checked for the quality at regular intervals based on the product stored
  - d. Goods are removed from the cooling chambers on the basis of discussion with the clients and the condition of the products
4. Removing goods from the Cold Storage and Packing
  - a. Once the goods are removed from the cold storage, it is again checked for quality and a quality check report is prepared.
  - b. Packaging of the products is done based on the requirements of the clients. Mainly, packing material is provided by the client.
5. Dispatch / Loading
  - a. Prepare Dispatch Note
  - b. Loading of the goods for dispatch
  - c. Intimating the principal for the dispatch

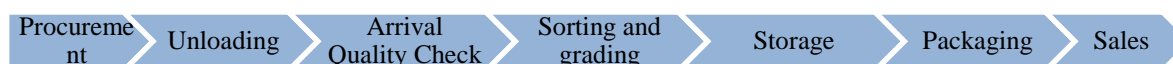
### Ripening Solutions



1. Receiving goods / Unloading
  - a. Preparing to receive goods, like assigning staff to do particular duties
  - b. Unload the goods
2. Arrival quality check
  - a. Check the product, mainly deterioration, etc. and prepare quality check report
  - b. Mark the products for distinguishing
  - c. Enter the product in the receipt register
  - d. Intimating the client about the receipt of the goods
3. Sorting
  - a. Goods are sorted based on the arrival check report

- b. Stacking of goods in a safe manner possible
  - c. Maintaining stock register
4. Pre-cooling
  - a. Material is sent for pre cooling with a support of humidifier to create humidity to prepare for gassing process.
  - b. Product is cooled to a certain temperature depending on the product category, like banana is pre-cooled up to 16-18 degree Celsius.
5. Gassing
  - a. Once the set temperature for the material is shown in the system, the gassing system is started.
  - b. While gassing, the material temperature and Parts per Million (PPM) need to set as per product chart
  - c. During gassing hours, humidifier and carbon-dioxide control system will not work
  - d. Ethylene gas is injected in the chamber and chamber is closed for approximately 18 to 24 hours, depending on the product
6. De-gassing
  - a. Once gassing process is over, chambers are opened for fresh air to go inside.
7. Conditioning
  - a. After the degassing process, the material is allowed to get conditioned at a particular temperature, as per the requirement of the product.
8. Holding in cold storage
  - a. Thereafter, the material is held into the cold storage, with humidity and carbon-dioxide controlling system on.
9. Grading
  - a. Before the dispatch time, the material is removed from the cold storage.
  - b. After removal, the quality of the material is checked.
  - c. Based on the quality, the products are graded.
10. Packing
  - a. Packaging of the products is done based on the requirements of the clients. Mainly, packing material is provided by the client.
11. Dispatch / Loading
  - a. Prepare Dispatch Note
  - b. Loading of the goods for dispatch
  - c. Intimating the principal for the dispatch

### Trading of Fruits and Vegetables



1. Procurement
  - a. Goods are procured from farmers, direct purchase from the market or through direct tie-up for procurement with corporate, etc.
2. Receiving goods / Unloading
  - a. Preparing to receive goods
  - b. Unload the goods
3. Arrival quality check
  - a. Check the product quality, mainly deterioration, etc. and prepare quality check report
  - b. Enter the product in the receipt register
  - c. Intimating the client about the receipt of the goods along with the condition of the goods

4. Sorting and grading
  - a. Goods are sorted based on the arrival check report
5. Storage
  - a. Stacking the goods manually according to the particular standards, which are defined in each cases
  - b. Stacking of goods in a safe manner possible. Wherever goods require cold storage or ripening chambers, the same are stored at such places
  - c. Maintaining stock register
6. Packaging
  - a. Packaging of the products is done based on the products. Mainly, we use corrugated boxes, gunny bags, plastic bags, polystyrene (thermocool) boxes, plastic trays, polystyrene (thermocool) trays, clean films, etc. for the packing purpose.
7. Sales
  - a. The products are sold either directly in the market or to our customers at their premises.
  - b. Based on the quality of the product and through negotiations, the rates are finalised.
  - c. Sometimes, samples are also sent to the prospective clients.
  - d. Mostly in all cases, the transport responsibility is borne by the client

#### **Infrastructure facilities:**

##### ***Equipments***

Some of the major equipments owned by us are as below:

- 10 nos. Cold Storage – cum – ripening chambers
- 1 nos. Cold Storage
- Crates, pallets, trolleys
- Weighing Scale
- Washer machine
- Fruits and Vegetable cleaning machine
- Electrical fittings, including air-conditioners
- RO (water purification) plant
- CCTV camera system
- Transport vehicles

##### ***Equipment to be purchased out of the proceeds of the Issue***

Our Company does not plan to purchase any equipment from the proceeds of the Fresh Issue.

#### **Technology:**

We have not entered into any technical collaboration agreements with any party.

#### **Utilities:**

##### ***Raw Materials***

With respect to the trading business, the main raw material required by us are the goods i.e. fruits and vegetables. We have oral tie-ups with several farmers for such procurement. Apart from procuring from local vendors, we regularly procure mangoes from Farm Enterprises Limited (a Reliance group company), Indian and imported fruits from Mahindra Univeg Private Limited, Indian fruits from Desai Fruits and Vegetables, imported fruits from P.C. Foods Pvt. Ltd., etc.

With respect to our services business like warehousing, cold storage and ripening solutions, several spares and tools and ethylene gas is required, which is procured from local sources.

With respect to our packaging solutions business, we weed corrugated boxes, gunny bags, plastic bags, polystyrene (thermocool) boxes, plastic trays, polystyrene (thermocool) trays, clean films, etc. which are readily available in the local market and are procured as such. Most of our client provides all the necessary raw materials for packaging activities performed for them.

### **Water**

Water requirement is for our business is minimal, mainly for sanitation and humidity de-fire purpose. The same is procured locally by bore well in the vicinity and existing water supply network in the respective locations we operate.

### **Power**

The requirement of power for our operations, like power for lighting at registered office, lighting at warehouses, operating cold storage and ripening chambers and operating the machinery /equipment is met through the local power distribution company where the units are located.

### **Human Resource**

As on October 31, 2016 we employ 22 full-time employees at our registered office and locations operate by us. In addition, we also employ 258 employees at several client locations where we provide manpower. We are in the manpower solution services business, wherein we provide manpower to our customers to manage few of their functions. We need skilled as well as semi-skilled workers. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. Apart from the above employees, we also employ casual labour or temporary labour.

The detailed break-up of employees at our registered office is as under:

Category	No. on Employees
Directors	4
Key Managerial Personnel	4
Managers and Executives	14
<b>Total</b>	<b>22</b>

Except for few employees at our client, Fine Tech Corporation Private Limited's location based out at Naroda, Ahmadabad, none of our employees are members of any unions and we have not entered into any collective bargaining agreements with them. With respect to employees other than those which are a part of unions, we have not experienced any work stoppages or action by or with our employees.

### **Marketing**

Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our managing director, Mr. Jinen Ghelani, through his vast experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, we regularly interact with them and focus on gaining an insight into their other additional needs and requirements. We are located in Ahmadabad, which has its location advantage due to proximity to other cities across Gujarat.

Additionally, we trade in fruits and vegetables under our brand name "Prime Fresh". We distribute pamphlets through newspapers, direct distribution in the societies, markets, etc. We also do marketing of our activities through banners, flex, posters on delivery vans, etc. We have also registered ourselves on portals like Just Dial and India Mart. Further, we provide home delivery services under the brand name "Fresh@Home". Services with regards to warehousing, cold storage and ripening, packaging and manpower solutions are mainly through direct references, our Promoters' contacts and

personal sources. However, our sales representatives do visit few locations where we foresee our services may be required based on our experience and operations of the organizations. We also do direct marketing activities to corporate through their contact details available in public domain or through e-mail.

### Seasonality and weather conditions

Every food items need a certain season and / or weather conditions to grow and the same are consumed in certain other seasons also. As regards to our trading business, our sale of particular product is dependent on the season. Also, our cold storage and ripening business is seasonal due the above mentioned reasons. Due to perishable nature of the products we deal in, seasonality and weather conditions do affect our few businesses.

### Competition

Demand and supply rule is purely applicable to dealings in perishable items. With regards to our trading business, much of the market in which we operate is unorganized and fragmented with many small and medium-sized entities. We face substantial competition for our products from other traders / dealers in domestic market. We compete with other traders / dealers on the basis of product range, product quality, and product price including factors, based on reputation, needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Due to industry's fragmented nature, there is no authentic data available to our Company on total industry size and markets share of our Company vis-a-vis the competitors. However, cold storages aid in reducing demand – supply pressure from this industry; and we operate few of such cold storages.

With regards to our service business like providing warehousing, carrying and forwarding agency, packaging, manpower solutions; we mainly compete with other domestic players within and out of Gujarat.

### Insurance

We generally maintain insurance covering our assets, stocks and operations at levels that we believe to be appropriate. We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, explosion, etc. which we believe is in accordance with customary industry practices. We also maintain burglary policies, automobile policies and workmen's compensation policies wherever required as well as policies covering medical insurance and compensation in case of accidents for our permanent employees. We also maintain key man insurance policies for our Promoters.

Although we consider our insurance coverage to be of a type and level that is economically prudent, we cannot assure that we will be able to maintain insurance at rate which we consider commercially reasonable or that such coverage will be adequate to cover any claims that may arise. Overall, we generally maintain insurance covering our assets and operations at levels that we believe to be appropriate for our business.

### Locations

In addition to clients' locations where we provide our services of managing warehouses, providing manpower and performing various activities, the following are the locations from where we operate:

S. No.	Location	Address	Purpose
1	Jamalpur, Ahmadabad	41/6, 8/A Haji Pir Kirvani Dargah, Nr. Marvadi Chal, Jamalpur Char Rasta, Jamalpur, Ahmadabad – 380 022	Registered Office, Cold Storage-cum-ripening chambers, Warehouse and Processing Area
2	Vashi, Navi Mumbai	Office No. 448, 4th Floor, Central Facility Building No. 1, Phase - 2, APMC Masala Market, Sector - 19, Vashi, Navi Mumbai – 400 705	Local trading and exports

3	Ambavadi, Ahmadabad	102, Sanskar Complex-II, Near Ketav Petrol Pump, Polytechnic Road, Ambavadi, Ahmadabad – 380 015	Administrative purpose
4	Naroda, Ahmadabad	GF-5, Kisan Dayal Market, Naroda Fruit Market, Naroda, Ahmadabad - 382 330	Local trading, Cold Storage and Godown

## Property

### Freehold Properties

Our Company does not hold any freehold property / land as on the date of this Prospectus.

### Leasehold Properties

Sr. No .	Location of the Property and Area	Purpose	Document and Date	Lessor / Licensor and Relationship with Promoters	Key terms of the Agreement	Consideration
1.	Location: 41/6, 8/A Haji Pir Kirvani Dargah, Nr. Marvadi Chal, Jamalpur Char Rasta, Jamalpur, Ahmadabad – 380 022  Area: Approximately 13000 sq. ft.	Registered Office, Cold Storage-cum-ripening chambers, Warehouse and Processing Area	Lease Agreement(s) dated June 17, 2008*	Licensor*:  1. Mehul C. Patel (HUF), Karta - Mehul Patel,  2. Chandrakant V. Patel (HUF), Karta - Chandrakant Patel,  3. Nayan V. Patel (HUF), Karta - Nayan Patel,  4. Dhanraj C. Patel (HUF), Karta - Dhanraj Patel,  5. Narendra V. Patel (HUF), Karta - Narendra Patel,  6. Madhukar V. Patel (HUF), Karta - Madhukar Patel,  7. Hiral M. Patel,  8. Shobhnaben D. Patel,  9. Malav M. Patel,  10. Mukesh V. Patel (HUF), Karta - Mukesh Patel,  11. Ushaben M. Patel,  12. Giriraj C. Patel	<ul style="list-style-type: none"> <li>The tenure of the agreement is from June 1, 2008 to May 31, 2017, extendable on mutually agreed terms.</li> <li>Our Company to bear the electricity, water charges and corporation tax.</li> </ul>	Monthly rental of ₹ 8,500 per agreement aggregating to ₹ 1,10,500.




Sr. No.	Location of the Property and Area	Purpose	Document and Date	Lessor / Licensor and Relationship with Promoters	Key terms of the Agreement	Consideration
				(HUF), Karta - Giriraj Patel,  13. Kantaben C. Patel  Relationship with Promoters: N.A.		
2.	Location: Office No. 448, 4th Floor, Central Facility Building No. 1, Phase - 2, APMC Masala Market, Sector - 19, Vashi, Navi Mumbai – 400 705  Area: Approximately 240 sq. ft.	Local trading and exports	Lease Agreement dated September 06, 2013	Licensor: Parul H. Mehta and Hirendra N. Mehta  Relationship with Promoters: N.A.	<ul style="list-style-type: none"> <li>The tenure of the agreement is from September 01, 2013 to August 30, 2018, extendable on mutually agreed terms.</li> <li>Our Company to bear the electricity, water charges, etc.</li> </ul>	Monthly rentals of ₹ 9,680
3.	Location: 102, Sanskar Complex-II, Near Ketav Petrol Pump, Polytechnic Road, Ambavadi, Ahmadabad – 380 015  Area: Approx. 500 sq. ft.	Administrative	Lease Agreement dated December 31, 2012	Licensor: Hiren Ghelani  Relationship with Promoters: One of the Promoter	<ul style="list-style-type: none"> <li>The tenure of the agreement is from January 1, 2013** to December 31, 2021, extendable on mutually agreed terms.</li> <li>Our Company to bear the Municipal taxes, maintenance charges and electricity charges.</li> </ul>	Monthly rentals of ₹ 14,915
4.	Our Company also operate from a leasehold premises located at GF-5, Kisan Dayal Market, Naroda Fruit Market, Naroda, Ahmadabad – 382 330 which is provided by the lessor for our business purpose. We have not entered into any formal agreement with the lessor of this premise. However, we do have a oral agreement and we have been using this premise for over 6 years. The said property is used for Cold Storage and godown.					

*\*There are 13 different agreements with 13 different parties as mentioned in above table. Each agreement is for 1000 sq. ft. at the abovementioned location. Each licensor is paid a rent of ₹ 8500 per month and the other terms and conditions remaining the same.*

*\*\* During the period beginning from July 01, 2015 to December 31, 2015, we had vacated these premises for a temporary period due to lack of requirements of the same and subsequently we have re-occupied the same from January 01, 2016. No rent was paid by us for such period. However, we have not entered into fresh property related agreements and the old agreements have continued suo moto.*





## Intellectual Property

We have registered following Intellectual properties with the Trade Mark Registry, Ahmedabad:

Sr. No.	Particulars of the mark	Word/Label mark	Applicant / Owner	Trademark/ Application Number	Class	Period of validity
1.		Device	Mr. Hardik Ghelani <sup>(1)</sup>	1679690	42	Valid upto 10 years from April 24, 2008.

<sup>(1)</sup> Vide letter dated April 01, 2010, Mr. Hardik Ghelani has accorded permission to the Company for making use of the said trademark. For further details, please refer to risk factor no. 03 appearing on page no. 10 of the section titled "Risk Factors" of this Prospectus

In addition to the above; following are the intellectual properties we are using in our business; however application has been made with the relevant authorities:

Sr. No.	Nature of License/Approvals	Word/Label mark	Applicant/ Owner	Application No.	Date of Filing	Class	Status
1		Device	Prime Customer Services Limited	2671524	February 03, 2014	29	Pending registration
2		Device	Prime Customer Services Limited	2671525	February 03, 2014	30	Pending registration
3		Device	Prime Customer Services Limited	2671526	February 03, 2014	31	Pending registration
4		Device	Prime Customer Services Limited	1683307	May 05, 2008	42	Pending registration

## KEY REGULATIONS AND POLICIES

*In carrying on our business as described in the section titled “Business Overview” on page no. 88 of this Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled “Government and Other Key Approvals” beginning on page no. 185 of this Prospectus.*

Our Company is engaged in the business of providing warehousing solutions, cold storage and ripening solutions, manpower solutions and packaging solutions. We are also engaged in trading of perishable food items, mainly fruits and vegetables in the domestic as well as export markets. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

### A. Industry Related Regulations

The primary central legislation governing the manufacturing sector is the Contract Labour (Regulation and Abolition) Act, 1948. In addition, compliance of various labour related legislations, including the Payment of Wages Act, 1956, The Minimum Wages Act, 1948, Equal Remuneration Act, Employees’ Compensation Act, 1923, Industrial Disputes Act, 1948, Payment of Gratuity Act, 1972, Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965 and the Shops and Establishment Rules framed under the Factories Act, 1948 as may be applicable in the relevant state.

#### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 applies To every establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour and to every contractor who employees or who employed on any day of the preceding twelve months twenty or more workmen. (a) It shall not apply to establishments in which work only of an intermittent or casual nature is performed.(b) If a question arises whether work performed in an establishment is of an intermittent or casual nature, the appropriate Government shall decide that question after consultation with the Central Board/State Board, and its decision shall be final.

Work performed in an establishment shall not be deemed to be of an intermittent nature-- (i) if it was performed for more than one hundred and twenty days in the preceding twelve months, or (ii) if it is of a seasonal character and is performed for more than sixty days in a year.

#### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (“**L.M. Act**”) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides for Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

### **Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodities Rules”)**

The Packaged Commodities Rules was framed under section 52(2) (j) and (q) of the L.M. Act and lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. A “pre-packaged commodity” means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The key provisions of the Packaged Commodities Rules are: (a) It is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed; (b) all pre-packaged commodities must conform to the declarations provided thereon as per the requirement of section 18(1) of the L.M. Act; and (c) no pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules.

### **The Food Safety and Standards Act, 2006 (“FSSA”)**

The FSSA was enacted on August 23, 2006 with a view to consolidating the laws relating to food and to establish the Food Safety and Standards Authority of India (“Food Authority”), for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the Government of India and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registration of food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’. In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 (“FSSR”) which have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSSA provides for the Food Authority to be aided by several scientific panels and a central advisory committee to lay down standards for food safety. The standards will include specifications for ingredients, limit of quantities of contaminants, tolerance limits of pesticide drugs residue, biological hazards and labels. The Food Authority has also framed the following food safety and standards regulations in relation to various food products and additives:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminates, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

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

The Factories Act, 1948 (“**Factories Act**”) seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term ‘factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

The following rules are applicable to the Company:

- ***Gujarat Factories Rules, 1963***

#### **The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957**

The Industrial Disputes Act, 1947 (“**ID Act**”) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman’s services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

#### **The Employees’ Compensation Act, 1923**

The Employees’ Compensation Act, 1923 (“**EC Act**”) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

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

The Employees State Insurance Act, 1948 (“**ESI Act**”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

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

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

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

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

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

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

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

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

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

The Payment of Bonus Act, 1965 (“**PB Act**”) is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year a minimum bonus which shall be 8.33% of the salary or wage earned by the employee during the accounting year or ₹ 100 (Rupees One Hundred), whichever is higher, whether or not the employer has any allocable surplus in the accounting year. 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 maximum of 20% of such salary or wage. ‘Allocable surplus’ is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company.

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

The Payment of Gratuity Act, 1972 (“**PG Act**”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply)

Gratuity is payable to the employee at the rate of 15 (fifteen) days’ wages for every completed year of service or part thereof in excess of 6 (six) months.

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

The Payment of Wages Act, 1936 (“**PW Act**”) is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

The following rules are applicable to the Company:

### **Gujarat Payment of Wages Rules, 1963.**



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

An Act to provide for fixing minimum rates of wages in certain employments. The appropriate government shall fix the minimum rates of wages payable to employees employed in an employment specified in Part I or Part II of the Schedule and in an employment added to either Party by notification.

Provided that the appropriate government may in respect of employees employed in an employment specified in Part II of the Schedule instead of fixing minimum rates of wages under this clause for the whole State fix such rates for a part of the State or for any specified class or classes of such employment in the whole State.

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

It outlines where and how children can work and where they cannot. The provisions of the act are meant to be acted upon immediately after the publication of the act, except for part III that discusses the conditions in which a child may work.

The act defines a child as any person who has not completed his fourteenth year of age. Part II of the act prohibits children from working in any occupation listed in Part A of the Schedule; for example: Catering at railway establishments, construction work on the railway or anywhere near the tracks, plastics factories, automobile garages, etc. The act also prohibits children from working in places where certain processes are being undertaken, as listed in Part B of the Schedule; for example: beedi making, tanning, soap manufacture, etc.

## **The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“**MSMED Act**”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹ 25,00,000 (Rupees Twenty Five Lakhs Only); (ii) a small enterprise, where the investment in plant and machinery is more than ₹ 25,00,000 (Rupees Twenty Five Lakh Only) but does not exceed ₹ 5,00,00,000 (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than ₹ 5,00,00,000 (Rupees Five Crores Only) but does not exceed ₹ 10,00,00,000 (Rupees Ten Crores Only). In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as: (i) a micro enterprise, where the investment in equipment does not exceed ₹ 10,00,000 (Rupees Ten Lakhs Only); (ii) a small enterprise, where the investment in equipment is more than ₹ 10,00,000 (Rupees Ten Lakhs Only) but does not exceed ₹ 2,00,00,000 (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than ₹ 2,00,00,000 (Rupees Two Crores Only) but does not exceed ₹ 5,00,00,000 (Rupees Five Crores Only). The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

## **B. Tax Related Legislations**

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

Central Sales tax (“**CST**”) is levied on the sale of movable goods in the course of inter-state trade or commerce. In India, sales tax is levied both at the union level under the Central Sales Tax Act, 1956 as well as the state level under the respective state legislation. Goods sold within the jurisdiction of the state are charged to Value Added Tax (“**VAT**”) in accordance with the VAT statute of that state.

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 purchasing dealer issues a statutory Form C to the selling dealer.

### **Value Added Tax**

Value Added tax (“VAT”) is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State.

The Gujarat Value Added Tax Act, 2003 is applicable to our Company.

### **Income-tax Act, 1961**

Income-tax Act, 1961 (“IT Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

### **The Customs Act, 1962 and the Customs Tariff Act, 1975**

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. The Customs Tariff Act, 1975 provides the rates at which duties of customs will be levied under the Customs Act, 1962.

### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Vide Notification No. 30/2012-Service Tax dated June 20, 2012, the liability to pay service tax in respect of certain taxable services, as specified therein, has shifted from the person who provides the service, to the person who receives the service. Every person who is liable to pay service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, 1994, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, 1994, the Company is required to file a half-yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the half-yearly return electronically.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority. The Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 is applicable to the Company.

## C. Other Legislations

### Gujarat Shops and Establishment Act, 1948

The Gujarat Shops and Establishment Act, 1948 regulates the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

### The Maharashtra Shops and Establishments Act, 1948

The provisions of the Maharashtra Shops and Establishments Act, 1948 regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

### Transfer of Property Act, 1882

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

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- **Sale:** The transfer of ownership in property for a price, paid or promised to be paid.
- **Mortgage:** The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- **Charges:** Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- **Leases:** The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- **Leave and License:** The transfer of a right to do something upon immovable property without creating interest in the property.

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

### The Registration Act, 1908

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

### The Indian Stamp Act, 1899

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("Stamp Act") which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is

required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

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. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state. The Maharashtra Stamp Act, 1958 and the Gujarat Stamp Act, 1958 are applicable to the Company.

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

The Indian Contract Act, 1872 (“**Contract Act**”) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

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

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

### **Competition Act, 2002**

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

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

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

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

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies

Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has *inter-alia* amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

### **The Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“**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 colors 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.

### **Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

In India, the main legislation concerning foreign trade is the Foreign Trade (Development and Regulation) Act, 1992 (“**FTA**”). The FTA read along with relevant rules 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 Act, 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 authorized 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 authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import (“**EXIM**”) Policy. FTA read with the Indian Foreign Trade Policy 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.

### **Regulations Regarding Foreign Investment**

Foreign investment in Indian companies is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“**DIPP**”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy (the “**FDI Circular**”) which consolidates the policy framework on Foreign Direct Investment (“**FDI**”), with effect from June 7, 2016. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till June 6, 2016. All the press notes, press releases, clarifications on FDI issued by DIPP till June 6, 2016 stand rescinded as on June 7, 2016.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

The Consolidated FDI Circular dated June 7, 2016 issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route. No approvals of the FIPB or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to person's resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

## HISTORY AND CERTAIN CORPORATE MATTERS

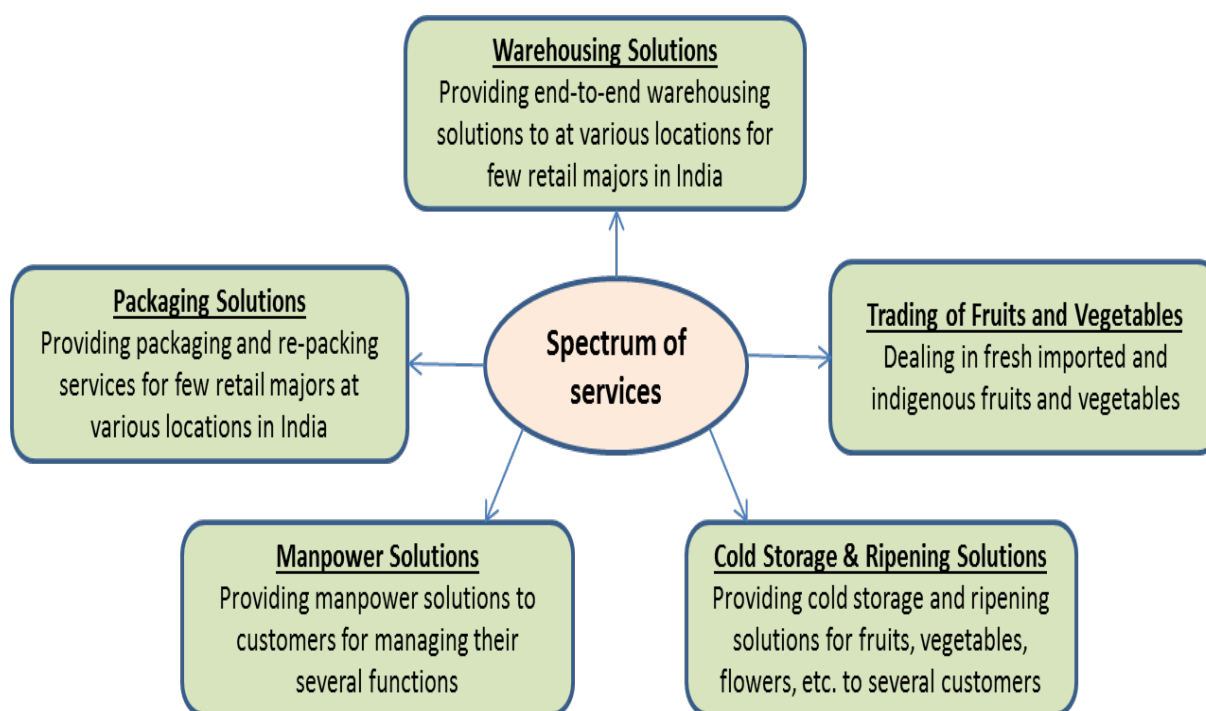
Our Company was incorporated as Prime Customer Services Private Limited on March 30, 2007 under the Companies Act, 1956 bearing Registration No. 050404 and having its Registered Office in Ahmadabad, Gujarat. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Prime Customer Services Limited vide special resolution dated February 28, 2008. A fresh Certificate of Incorporation consequent upon change of name was issued on March 25, 2008 by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Company's Corporate Identity Number is U51109GJ2007PLC050404 and its Registered Office is situated at 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmadabad, Gujarat – 380 022.

Incorporated in 2007, our Company is a multi-services customer focused organization and offer value added services to a whole range of clients spread across various business segments.

We are engaged in the business of providing services; namely, warehousing solutions, cold storage and ripening solutions, manpower solutions and packaging solutions. We are also engaged in trading of perishable food items, mainly fruits and vegetables in the domestic as well as export markets. Our customers are primarily located in the western India, majorly Gujarat and Maharashtra. We have also started exporting fruits and vegetables in the year 2015-16, currently to U.A.E.

Started with an idea to deliver fruits and vegetables at customer door steps with a small warehouse and a designer mobile van shop in the year 2007, the Company has reached a stage where it has entered into tie-up with large corporate from procurement of fruits and vegetables and operate a warehouse facility, cold storage & ripening chambers of approximately 10,180 sq. ft. totally and managing clients' warehouse and cold storage facilities of approximately 2,55,700 sq. ft. currently.

### *Our spectrum of services:*



With a strong backward integration and having a team of sourcing experts, our company continuously tries to get best quality F&V directly fresh from farm to its customers or end users. We supply products for Retail, Modern Trade, HoReCa, Foodservice, Wholesale, Governments and Manufacturing customers on regular basis. Food Safety and Traceability are our priority.

Our Company is having a state of art food processing unit at Ahmedabad for storage of various Fruits and Vegetables & Processed Material. The processing unit is strategically located under APMC Market of the city, with all modern



equipments for handling & storage of Fruits & Vegetables. It's a Complete Integrated Pack House having facilities such as Pre-cooling & Ripening chamber, storing/Grading, Processing, Packing and Dispatch area separately maintained with the help of skilled labor. We have our own logistics van/vehicles available for supply of F&V to various stores in and near by the city.

With an aim to provide value added, customer focused service, our company is broadly involved in the field of Manpower Solution in Gujarat. Our service outlook enables our clientele achieve an organizational excellence at every stage of their business.

For further details regarding our business operations, please see the chapter titled “*Business Overview*” beginning on page no. 88 of this Prospectus.

Our Company has 23 shareholders, as on the date of this Prospectus.

#### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY:

YEAR	EVENT
2007	Incorporated under Companies Act, 1956 as Prime Customer Services Private Limited
2007	Started facility of 3PL services for Aditya Birla Retail
2008	Changed the status of our Company from Private to Public i.e. to Prime Customer Services Limited.
2008	Acquired 41/6, 8/A Haji Pir Kirvani Dargah, Nr. Marvadi Chal, Jamalpur Char Rasta, Jamalpur, Ahmadabad – 380 022 on tenancy basis.
2008	Started facility of 3PL services for Reliance Retail
2009	Started services of hygienic packed food to the corporates in Ahmedabad
2009	Started our bulk & retail trading of fruits in APMC Naroda- Ahmedabad
2010	Started facility for 3 PL services for Intas Pharma
2011	Started warehousing facility for Intas Pharma
2011	Started warehousing facility for Wagh bakri Tea
2011	2nd facility for 3PL services for Aditya Birla Retail and Reliance Retail
2012	Launched 1st refrigerated mobile van for F&V in Ahmedabad
2012	Launched 1st outlet for first wholesale F&V Shop in Ahmedabad
2012	Launched 1st ripening chamber cum cold storage facility
2012	Obtained APMC license at Naroda.
2012	Acquired 102, Sanskar Complex-II, Near Ketav Petrol Pump, Polytechnic Road, Ambavadi, Ahmadabad – 380015 on tenancy basis.
2012	Started collection centre facility for F&V and expanded Whole sale, Bulk trade and general retail trade of Fruits and Vegetables.
2013	Acquired Office No. 448, 4th Floor, Central Facility Building No. 1, Phase - 2, APMC Masala Market, Sector - 19, Vashi, Navi Mumbai – 4007052 on tenancy basis.
2013	Started 3PL facility for Subji India at Pune
2014	Started with the supply of Fruits & Vegetables to the Corporate & Food Processing industry.
2014	Acquired Jamalpur Vegetables APMC Market Licenses – Broking & Trading Activities
2015	Started Bisleri C&F Operation in 4 major cities of Gujrat: Rajkot, Ahmedabad, Baroda & Surat.
2015	Tied up with Reliance Jamnagar refinery and INI farms for procurement contract of their corporate farming Mangoes and Pomegranate.
2015	Exporting Fruits and Vegetables to U.A.E.
2016	Started 99.80% owned subsidiaries in the name of Florens Farming Private Limited.

#### MAIN OBJECTS

The main object of our Company is as follows:

- To carry on the business of a retail departmental store as retailer, wholesalers, traders, buyers, sellers, brokers, importers, exporters, suppliers, indenters, stockists, distributors, showroom owners, and to act as agent, sub-



agent, broker, consultant, franchisee, collaborator, warehouser, packers, movers, or otherwise, deal in all kinds, descriptions, types and classes of household, goods, gadgets, appliances, articles, merchandise, commodities, products, items, equipments, instruments, materials and other things capable of being kept in or required for the purposes of showrooms, department store or super store and in that capacity to provide such goods, and services for the customers of the company as may seem expedient and to engage in business of Commercial agriculture directly or through subsidiaries either wholly or through partly owned and carry in the business of planters, growers and cultivators of agricultural produces and to process and render marketable all produce grown by the Company and to sell, purchase, export, deal and trade in all produce grown or processed by the Company.

- To carry on in India or elsewhere the business to establish, form, arrange, manage, organise, operate and handle marketing operations or sale of all kinds, descriptions, types and classes of households, goods, gadgets, appliances, articles, merchandise, commodities, product, items, equipments, instruments, materials and other things capable of being kept in or required for the purposes of showrooms, departmental, store or super store, and for the purpose either to establish its own shops, retail counters, franchise, depots, showrooms, agencies or marketing organizations, or to appoint agents, distributors, stockists, representatives, wholesalers, retailers, dealers, multilevel marketing or Chain system, on such terms and conditions as the company may deem fit from time to time.

#### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change of Registered Office	Registered Address Changed From	Change to
July 01, 2011	D-31, Amaltas Apartment, Near Asavari Towers, B/H Fun Republic, Satellite, Ahmadabad - 380015, Gujrat, India	102, Sanskar - 2, Near Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmadabad - 380015, Gujarat, India.
January 25, 2016	102, Sanskar - 2, Near Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmadabad - 380015, Gujarat, India.	41/6, 8/A, Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwadi Chal, Ahmadabad, Gujarat- 380 022

#### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

Date	Nature of Ammendment
June 11, 2007	The initial authorized share capital of ₹ 10,00,000 divided into 1,00,000 Equity Shares ₹ 10 each was increased to ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10
December 31, 2007	The authorized share capital of ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each was increased to ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹ 10
November 24, 2014	Alteration of object clause(s) as per section 13(1) of the Companies Act, 2013
March 30, 2016	The authorized share capital of ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹ 10 each was increased to ₹ 4,20,00,000 divided into 42,00,000 Equity Shares of ₹ 10

#### SUBSIDIARIES

As on the date of this Prospectus, we have one (1) subsidiary company

- FLORENS FARMING PRIVATE LIMITED (FFPL)**

FFPL was incorporated as Florens Farming Private Limited under the Companies Act, 2013 and a Certificate of Incorporation was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on December 27, 2016 having CIN No. U01100GJ2016PTC094879. The main objects of FFPL are as follow

- To carry on the business of farming, agriculture and horticulture in their respective forms and branches and to undertake commercial agriculture activities including raising of crops and to produce, manufacture and process all types of the agro

based products and to acquire lands in form of Lease or Contractual Farming or Outright Ownership for the purpose of carrying on agricultural and related farming activities only and to deal in trading, export, import such agricultural products including food grains, cereals, seeds, vegetables, fruits, flowers, vegetable or to deal in any kinds of crops, plants seed, fruits, vegetables, timber, grass, leaves, and any other foods, and food related items or any other produce and by products.

- To carry on the business of farming, production, harvesting, procurement, grading, pooling, handling, marketing, agriculture and horticulture in all their respective farms and branches and to grow, produce, manufacture, process, prepare, refine, extract, manipulate, hydrolyze, deodorize, grind, bleach, hydrogenate buy, sell or otherwise deal in all kinds of agricultural, horticultural and farm produce and products including seeds, plants, flowers, vegetables, fruits and preparation of any nature or description.
- To manufacture, produce, refine, process, formulate, buy, sell, export, import or otherwise deal in all types of agricultural chemicals, fertilizers, petrochemicals, industrial chemicals or any mixtures, derivatives and compounds, thereof

Its registered office is situated at 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmadabad, Gujarat – 380 022.

#### ***Board of Directors***

- Jinen Ghelani
- Hiren Ghelani

#### ***Capital Structure***

( ₹ in Lakhs)

Particulars	No. of Equity Shares
Authorised capital	10.00
Issued, subscribed and paid-up capital	5.00

#### ***Shareholding Pattern***

FFPL is a 99.80% owned subsidiary of our Company and the shareholding as mention below:

Sr. No.	Name of the Shareholder	No. Of Shares	% of Total Shares
1.	Prime Customer Services Limited	49,900	99.80%
2.	Mr. Hiren Ghelani	100	0.20%
<b>Total</b>		<b>50,000</b>	<b>100.00%</b>

#### ***Financial Information***

As the Company was incorporate on December 27, 2016, the Company is yet to complete audit for its first financial year

#### ***Other confirmations***

- The equity shares of FFPL are not listed on any stock exchange;
- FFPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up;
- No application has been made to RoC for striking off the name of FFPL;
- FFPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initialed for economic offences against the Company.

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## **THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY**

There is no accumulated profit/ (losses) not accounted for by our Company as on the date of this Prospectus.

## **HOLDING COMPANY**

As on the date of this Prospectus, our Company does not have any holding company within the meaning of Companies Act.

## **JOINT VENTURES**

As on the date of this Prospectus, there are no joint ventures of our Company.

## **SHAREHOLDERS' AGREEMENT**

There are no Shareholders' Agreements existing as on the date of this Prospectus.

## **ACQUISITION OF BUSINESS / UNDERTAKINGS**

We have not acquired any business / undertakings since incorporation.

## **FINANCIAL PARTNERS**

We do not have any financial partners as on the date of this Prospectus.

## **STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of this Prospectus.

## **OTHER AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement/contract as on the date of this Prospectus.

## **INJUNCTIONS OR RESTRAINING ORDERS**

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

## OUR MANAGEMENT

### Board of Directors:

Our Company has seven (7) Directors consisting of four (4) Executive Directors and three (3) Non-Executive Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<b>Mr. Jinen Ghelani</b> <i>Chairman &amp; Managing Director</i>  <b>Address:</b> D/31 Amalatas, B/H Fun Republic Cinema, Satellite Ahmadabad, Gujarat – 380015.  <b>Date of appointment as Director:</b> December 31, 2007  <b>Date of re-appointment as Chairman and Managing Director:</b> May 17, 2016  <b>Term:</b> Appointed as Chairman and Managing Director for a period of five years i.e. till May 16, 2021.  <b>Occupation:</b> Business  <b>DIN:</b> 01872929	Indian	41 Years	<ul style="list-style-type: none"> <li>Prosperity Securities Pvt. Ltd.</li> </ul>
<b>Mrs. Neha Ghelani</b> <i>Whole Time Director</i>  <b>Address:</b> D/31 Amalatas, B/H Fun Republic Cinema, Satellite Ahmadabad, Gujarat – 380015.  <b>Date of appointment as Director:</b> March 30, 2007.  <b>Date of appointment as Whole Time Director:</b> May 17, 2016.  <b>Term:</b> Appointed as Whole Time Director for a period of five years i.e. till May 16, 2021.  <b>Occupation:</b> Business  <b>DIN:</b> 00197285	Indian	40 Years	NIL
<b>Mr. Hiren Ghelani</b> <i>Whole Time Director</i>  <b>Address:</b> Flat No. 501, B Wing, Divya Vinayak Bldg, Near Ganesh Chowk, Charkop, Kandivali West, Mumbai, Maharashtra- 400 067.  <b>Date of appointment as Director:</b> September 30, 2007	Indian	37 Years	<ul style="list-style-type: none"> <li>Prosperity Securities Pvt. Ltd.</li> <li>NH Time Investments Research Pvt. Ltd.</li> </ul>

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Date of appointment as Whole Time Director:</b> June 06, 2016</p> <p><b>Term:</b> Appointed as Whole Time Director for a period of five years i.e. till June 05, 2021</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 02212587</p>			
<p><b>Mr. Sameer Rajguru</b> <i>Whole Time Director</i></p> <p><b>Address:</b> 601, 6th floor, A-wing, Heritage Parody No. 2, Arihant CHS Ltd, Sai Nagar, M. G. Road, Cross Road No. 1, Kandivali (West), Mumbai, Maharashtra: 400067.</p> <p><b>Date of Appointment as Whole Time Director:</b> May 17, 2016.</p> <p><b>Term:</b> Appointed as Whole Time Director for a period of five years i.e. till May 16, 2021</p> <p><b>Occupation:</b> Services</p> <p><b>DIN:</b> 07198139</p>	Indian	39 Years	NIL
<p><b>Mr. Mihir Manek</b> <i>Non-Executive Independent Director</i></p> <p><b>Address:</b> Flat No 15, Plot No 81 Badrivishal, Rafi Ahmed Kidwai Road, Wadala West, Mumbai, Maharashtra- 400031.</p> <p><b>Date of Appointment as Non Executive Independent Director:</b> May 17, 2016.</p> <p><b>Term:</b> Appointed as Non Executive Independent Director for a period of five years i.e. till May 16, 2021.</p> <p><b>Occupation:</b> Consultant</p> <p><b>DIN:</b> 07254045</p>	Indian	51 Years	NIL
<p><b>Mr. Ravi Menon</b> <i>Non-Executive Independent Director</i></p> <p><b>Address:</b> 25, 3rd Floor, Takshila, K. V. Residential Complex, N.C.H. Colony, Kanjurmarg West, Mumbai, Maharashtra- 400078</p> <p><b>Date of Appointment as Non Executive Independent Director:</b> May 21, 2016.</p>	Indian	50 Years	NIL

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<b>Term:</b> Appointed as Non Executive Independent Director for a period of five years i.e. till May 20, 2021.  <b>Occupation:</b> Consultant  <b>DIN:</b> 05254365			
<b>Mr. Brijesh Kumar Misra</b> <i>Non-Executive Independent Director</i>  <b>Address:</b> H/303, Smarana Appt., Bakeri City, Opp. TPL office, Vejalpur, Ahemdabad, Gujarat-380051.  <b>Date of appointment as Non Executive Independent Director:</b> May 21, 2016.  <b>Term:</b> Appointed as Non Executive Independent Director for a period of five years i.e. till May 20, 2021.  <b>Occupation:</b> Services  <b>DIN:</b> 07524535	Indian	52 Years	NIL

For further details on their qualification, experience etc., please see their respective biographies under the heading “*Brief Biographies*” below.

#### Notes:

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is or was a director of any listed company during the last five years preceding the date of the 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 the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.

#### BRIEF BIOGRAPHIES OF OUR DIRECTORS

##### Mr. Jinen Ghelani

Mr. Jinen Ghelani, aged 41 years, is the Chairman & Managing Director of our Company. He is a promoter of our Company. He has completed Bachelor of Commerce from Saurashtra University. Mr. Jinen Ghelani has nearly two decades of experience in retail and FMCG industries in India, where he involved and understands complete functions of supply chain management in the retail industry. He has been a real backbone of the company for identifying, negotiating and

implementing new business opportunities. He has played an extremely crucial role in team building, infrastructure setup and clients addition.

**Mrs. Neha Ghelani**

Mrs. Neha Ghelani, aged 40 years, is the Whole Time Director of our Company. She is the wife of our Promoter and Managing Director – Mr. Jinen Ghelani. She has completed her Bachelor of Commerce and Master of Commerce from Saurashtra University.

**Mr. Hiren Ghelani**

Mr. Hiren Ghelani, aged 37 years, is the Whole Time Director of our Company. He is a promoter of our company. He has completed Bachelors Degree in Business Administrator from Saurashtra University and Masters of Commerce from Mumbai University. Prior to joining this company, Mr. Hiren Ghelani has a vast experience in financial and capital markets. He has had major stints in some of the renowned financial services firm and research houses namely, Kotak Securities, Dinar Investment Pvt. Ltd., Sharad Investment Research and JM Financials. At present, he looks after strategy, finance and planning. His role so far has been in ensuring sustained fund infusion, and negotiation with bankers, investors and internal team.

**Mr. Sameer Rajguru**

Mr. Sameer Rajguru, aged 39 years, is the Whole Time Director of our Company. He holds a Bachelor of Commerce from Mumbai University and Intermediate Examination Certificate of Institute of Chartered Accountants of India and having a financial professional with 19 years of experience spanning functions of branch handling, branch networking, business development, operations, and recruitment of staff and generation of revenue. He plays a very vital role in overall business development, sales and process optimisation. He also ensures new ideas, new relationships and people flows through the entire organization and they are implemented profitably.

**Mr. Mihir Manek**

Mr. Mihir Manek, aged 51 years, is the Non-Executive Independent Director of our Company. He holds a Diploma of Licentiate Mechanical Engineer from Victoria Jubilee Technical Institute (Mumbai), and also Associate Member and Chartered Member from The Institution of Engineers (India) and Masters of Business Administration from Newport University (USA). He has wide experience in Operations, Logistics, Purchasing, Material Coordination and Project Management initiatives for start-up companies and diversified international corporations.

**Mr. Ravi Menon**

Mr. Ravi Menon, aged 50 years, is the Non-Executive Independent Director of our Company. He has completed Bachelor of Arts and Master of Art from University of Calicut. He possess significant experience working with senior management in diverse business activities in manufacturing units, mutual funds and other banking/ financial industry. During his career he has received Performance award from PCS Industries limited and two Appreciations from Escon Elevators Pvt. Ltd. and CAMS Pvt. Ltd.

**Mr. Brijesh Kumar Misra**

Mr. Brijesh Kumar Misra, aged 52 years, is the Non-Executive Independent Director of our Company. He has completed Bachelor of Science (Agri.) and Master of Science (Agri.) in Horticulture from Chandra Shekhar Azad Krishi Evam Prodyogic Vishwavidyalaya, Kanpur and has a proficient agro product marketing professional with three decades of industry experience in generating, monitoring and managing sales of the products, conducting awareness, licensing of central & state agriculture and quality control department, conducted product trials & demonstrations and farmers meetings.



## RELATIONSHIP BETWEEN DIRECTORS

- Mr. Jinen Ghelani and Mr. Hiren Ghelani are brothers.
- Mr. Jinen Ghelani and Mrs. Neha Ghelani are husband and wife.
- Mr. Hiren Ghelani is the brother-in-law of Mrs. Neha Ghelani.

Save and except the above, none of our Directors are related to each other.

## Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on March 30, 2016 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 25.00 crores.

## Remuneration of Executive Directors

### Mr. Jinen Ghelani, Chairman and Managing Director

The compensation package payable to him as resolved in the shareholders meeting held on May 17, 2016 is stated hereunder:

**Basic Salary:** The total remuneration paid to Mr. Jinen Ghelani, Chairman and Managing Director, shall not exceed a sum of ₹ 12.00 Lakhs per annum.

**Perquisites and Allowances:** In addition to the basic salary mention above, Mr. Jinen Ghelani shall be entitled to the following perquisites and allowances which will not be included in the computation of ceiling on the remuneration specified above:

- Housing: The Company shall provide unfurnished accommodation to Mr. Jinen Ghelani. If no accommodation is provided, House Rent Allowance not exceeding 50% of monthly basic salary or as per Rules of the company whichever is more, shall be payable to him and he shall also be eligible for, reimbursement of expenses / allowances for utilization of gas, electricity, water & the same shall be valued as per Income Tax Rule, 1962.
- Medical Allowances including reimbursement, as per rules of the company, subject to a maximum of ₹ 15,000 (Rupees Fifteen Thousand) per annum.
- Free Telephone Facility at residence and use of Mobile phone for the business of the company.

### Other benefits:

Mr. Jinen Ghelani shall also be eligible to the following benefits in addition to the above perquisites, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

**Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company. For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

The Total Remuneration Payable to Mr. Jinen Ghelani, Managing Director, including all the above shall not exceed the limit of ₹ 30.00 Lakhs (Rupees Thirty Lakhs Only) per annum as provided under the provisions of the companies Act, 2013 unless otherwise approved by the Central Government."

Remuneration paid to Mr. Jinen Ghelani for FY 2015-16 was ₹ 3.60 Lakhs

**Mrs. Neha Ghelani, Whole Time Director**

The compensation package payable to her as resolved in the shareholders meeting held on May 17, 2016 is stated hereunder:

**Basic Salary:** The total remuneration paid to Mrs. Neha Ghelani, Whole Time Director, shall not exceed a sum of ₹ 12.00 Lakhs per annum.

**Perquisites and Allowances:** In addition to the basic salary mention above, Mrs. Neha Ghelani shall be entitled to the following perquisites and allowances which will not be included in the computation of ceiling on the remuneration specified above:

- i) Housing: The Company shall provide unfurnished accommodation to Mrs. Neha Ghelani. If no accommodation is provided, House Rent Allowance not exceeding 50% of monthly basic salary or as per Rules of the company whichever is more, shall be payable to her and she shall also be eligible for, reimbursement of expenses / allowances for utilization of gas, electricity, water & the same shall be valued as per Income Tax Rule, 1962.
- ii) Medical Allowances including reimbursement, as per rules of the company, subject to a maximum of ₹ 15,000 (Rupees Fifteen Thousand) per annum.
- iii) Free Telephone Facility at residence and use of Mobile phone for the business of the company.

**Other benefits:**

Mrs. Neha Ghelani shall also be eligible to the following benefits in addition to the above perquisites, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

**Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company. For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

The Total Remuneration Payable to Mrs. Neha Ghelani., Whole Time Director, including all the above shall not exceed the limit of ₹ 30.00 Lakhs (Rupees Thirty Lakhs Only) per annum as provided under the provisions of the companies act, 2013 unless otherwise approved by the Central Government."

Remuneration paid to Mrs. Neha Ghelani for FY 2015-16 was ₹ 3.60 Lakhs

**Mr. Hiren Ghelani, Whole Time Director**

The compensation package payable to him as resolved in the shareholders meeting held on June 06, 2016 is stated hereunder:

**Basic Salary:** The total remuneration paid to Mr. Hiren Ghelani, Whole Time Director, shall not exceed a sum of ₹ 15.00 Lakhs per annum.

**Perquisites and Allowances:** In addition to the basic salary mention above, Mr. Hiren Ghelani, Whole Time Director shall be entitled to the following perquisites and allowances which will not be included in the computation of ceiling on the remuneration specified above:

- i) Housing: The Company shall provide unfurnished accommodation to Mr. Hiren Ghelani. If no accommodation is provided, House Rent Allowance not exceeding 50% of monthly basic salary or as per Rules of the company whichever is more, shall be payable to him and he shall also be eligible for, reimbursement of expenses / allowances for utilization of gas, electricity, water & the same shall be valued as per Income Tax Rule, 1962.

ii) Medical Allowances including reimbursement, as per rules of the company, subject to a maximum of ₹ 15,000 (Rupees Fifteen Thousand) per annum.

iii) Free Telephone Facility at residence and use of Mobile phone for the business of the company.

**Other benefits:**

Mr. Hiren Ghelani shall also be eligible to the following benefits in addition to the above perquisites, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

**Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company. For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

The Total Remuneration Payable to Mr. Hiren Ghelani, Whole Time Director, including all the above shall not exceed the limit of ₹ 30.00 Lakhs (Rupees Thirty Lakhs Only) per annum as provided under the provisions of the companies act, 2013 unless otherwise approved by the Central Government."

Remuneration paid to Mr. Hiren Ghelani for FY 2015-16 was ₹ 8.88 Lakhs

**Mr. Sameer Rajguru, Whole Time Director**

The compensation package payable to him as resolved in the shareholders meeting held on May 17, 2016 is stated hereunder:

**Basic Salary:** The total remuneration paid to Mr. Sameer Rajguru, Whole Time Director, shall not exceed a sum of ₹ 12.00 Lakhs per annum.

**Perquisites and Allowances:** In addition to the basic salary mention above, Mr. Sameer Rajguru, Whole Time Director shall be entitled to the following perquisites and allowances which will not be included in the computation of ceiling on the remuneration specified above:

ii) Housing: The Company shall provide unfurnished accommodation to Mr. Sameer Rajguru. If no accommodation is provided, House Rent Allowance not exceeding 50% of monthly basic salary or as per Rules of the company whichever is more, shall be payable to him and he shall also be eligible for, reimbursement of expenses / allowances for utilization of gas, electricity, water & the same shall be valued as per Income Tax Rule, 1962.

iii) Medical Allowances including reimbursement, as per rules of the company, subject to a maximum of ₹ 15,000 (Rupees Fifteen Thousand) per annum.

iii) Free Telephone Facility at residence and use of Mobile phone for the business of the company.

**Other benefits:**

Mr. Sameer Rajguru shall also be eligible to the following benefits in addition to the above perquisites, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

**Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company. For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

The Total Remuneration Payable to Mr. Sameer Rajguru, Whole Time Director, including all the above shall not exceed the limit of ₹ 30.00 Lakhs (Rupees Thirty Lakhs Only) per annum as provided under the provisions of the companies act, 2013 unless otherwise approved by the Central Government."

Remuneration paid to Mr. Sameer Rajguru for FY 2015-16<sup>(1)</sup> was ₹ 2.97 Lakhs

<sup>(1)</sup> Mr. Sameer Rajguru was appointed as whole Time Director on May 17, 2016 before that he was an employee to our organisation and use to get remuneration on those bases.

### Compensation of Non-Executive Independent Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on May 25, 2016 the Non-Executive Independent Directors will be paid ₹ 1,000 per sitting fee for all Board / Committee meetings held.

Remuneration paid to our Non-Executive Independent Directors in Fiscal 2016: Nil

### Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Prospectus:

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Jinen Ghelani	3,67,800	12.09%
Mrs. Neha Ghelani	38,200	1.26%
Mr. Hiren Ghelani	16,40,000	53.89%
Mr. Sameer Rajguru	16,000	0.53%
Mr. Mihir Manek	-	-
Mr. Ravi Menon	-	-
Mr. Brijesh Kumar Misra	-	-
<b>Total Holding of Directors</b>	<b>20,62,000</b>	<b>67.76%</b>
<b>Total Paid up Capital</b>	<b>30,43,000</b>	<b>100.00%</b>

### Interest of the Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled “Our Management” and the chapter titled “Annexure XXI Related Party Transactions” beginning on page nos. 117 and 160 of this Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “Properties” within the section titled “Business Overview” on page no. 99 of this Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus. Further, except as disclosed in “Properties” within the section titled “Business Overview” on page no. 99 of this Prospectus, our Company has not taken any property on lease from our Promoters within two years of the date of this Prospectus.

### Changes in the Board of Directors in the last three years

Following are the changes in our Board of Directors in the last three years:

Sr. No	Name of Director	Date of Change	Reason for change
1	Mr. Koteswara Rao Kodela	30.10.2014	Resignation
2	Mr. Hardik Ghelani	15.01.2015	Resignation
3	Mr. Jinen Ghelani	17.05.2016	Change in designation as Managing Director and Chairman.

Sr. No	Name of Director	Date of Change	Reason for change
4	Mrs. Neha Ghelani	17.05.2016	Change in designation as Whole Time Director.
5	Mr. Sameer Rajguru	17.05.2016	Appointment as Whole Time Director.
6	Mr. Mihir Manek	17.05.2016	Appointment as Non Executive Independent Director
7	Mr. Ravi Menon	21.05.2016	Appointment as Non Executive Independent Director
8	Mr. Brijesh Kumar Misra	21.05.2016	Appointment as Non Executive Independent Director
9	Mr. Hiren Ghelani	06.06.2016	Change in designation as Whole Time Director.

## Corporate Governance

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, 2015. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has Seven (7) Directors. In compliance with the requirements of the Companies Act we have Four (4) Executive Directors and Three (3) Non-Executive Independent Directors on our Board. Our Chairman is an Executive Director and we have a woman director on our Board.

## Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

### 1. Audit Committee

The Audit Committee of our Board was constituted by our Directors by a board resolution dated May 25, 2016 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Mihir Manek	Non Executive Independent Director	Chairman
Mr. Brijesh Kumar Misra	Non Executive Independent Director	Member
Mr. Hiren Ghelani	Whole Time Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- d) Reviewing, with the management, the annual 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
  - Qualifications in the draft audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) 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.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) 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.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) 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.
- p) 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.
- q) 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.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

*The Audit Committee enjoys following powers:*

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

*The Audit Committee shall mandatorily review the following information:*

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

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

#### *Meeting of Audit Committee*

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

## **2. Stakeholder's Relationship Committee**

The Shareholder and Investor Grievance Committee of our Board were constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated May 25, 2016 The Shareholder and Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Brijesh Kumar Misra	Non Executive Independent Director	Chairman
Mr. Ravi Menon	Non Executive Independent Director	Member
Mr. Mihir Manek	Non Executive Independent Director	Member



This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

#### *Quorum and Meetings*

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

### **3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated May 25, 2016

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Ravi Menon	Non Executive Independent Director	Chairman
Mr. Mihir Manek	Non Executive Independent Director	Member
Mr. Brijesh Kumar Misra	Non Executive Independent Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report

#### *Quorum and Meetings*

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

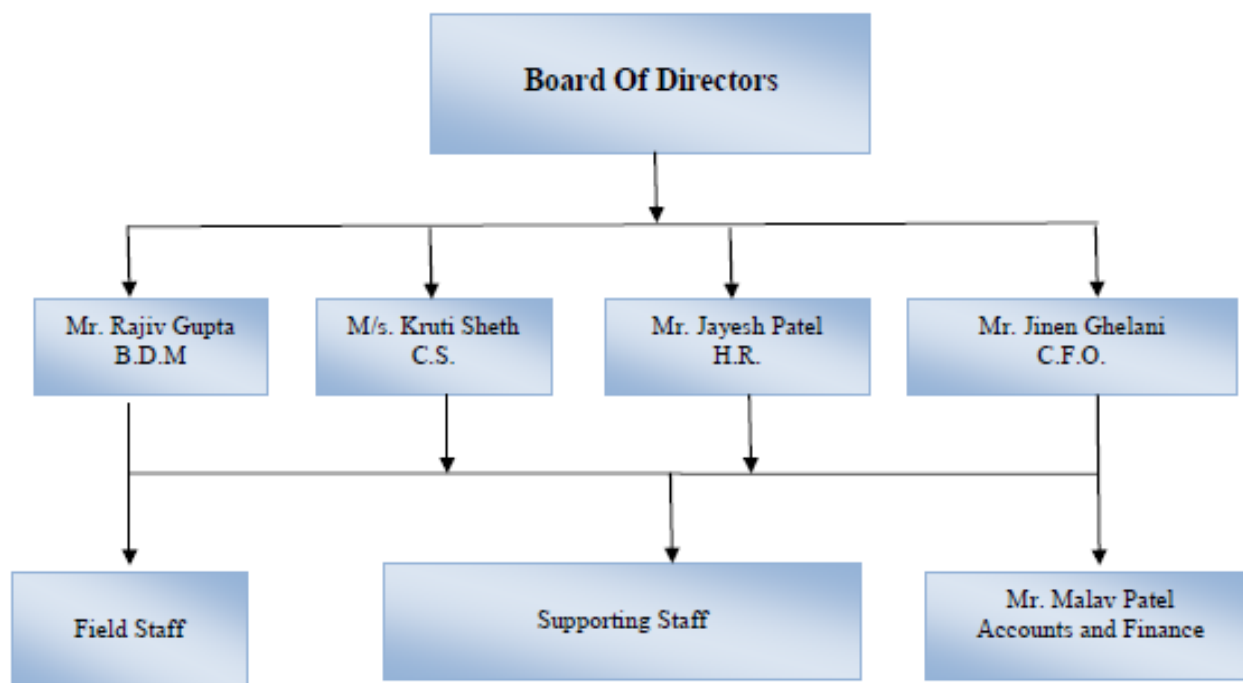
The Company Secretary of our Company acts as the Secretary to the Committee.

### Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 8 and 9 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 Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Our Board is 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.

### Management Organization Structure



### Terms & Abbreviations

B.D.M	- Business Development Manager
C.F.O	- Chief Finance Officer
CS	- Company Secretary and Compliance Officer
HR	- Human Resources

## Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of Employee	Designation & Functional Area	Date of Appointment	Compensation for Last Fiscal Year (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Mr. Jinen Ghelani <sup>(1)</sup>	Chief Finance Officer	May 21, 2016	3.60	Bachelor of Commerce	<ul style="list-style-type: none"> <li>• Muller &amp; Phipps (India) Ltd.</li> <li>• Paramount Cosmetics</li> <li>• Marico Industries Limited</li> <li>• Karamchand Apl. Pvt. Ltd.</li> <li>• Subhiksha Trading Services</li> </ul>	19 Years
Ms. Kruti Sheth	Company Secretary and Compliance Officer	May 09, 2016	Nil	<ul style="list-style-type: none"> <li>• C.S.</li> <li>• MBA- (Finance)</li> <li>• B.B.A.</li> </ul>	<ul style="list-style-type: none"> <li>• TGB Banquets and Hotels Limited</li> <li>• SKP Buildcon Pvt Ltd</li> </ul>	2 Years
Mr. Rajiv Gupta	Business Development Manager	February 17, 2014	3.66	Bachelor of Commerce	<ul style="list-style-type: none"> <li>• Gillette India Limited</li> <li>• Subhiksha Trading Services (Retail Chain)</li> <li>• Rei Agro Ltd.</li> <li>• Berggruen Radio Taxi Pvt.. Ltd.</li> </ul>	19 Years
Mr. Jayesh Patel	Asst. Manager Admin/ HR	April 05, 2010	2.99	Under Graduation	<ul style="list-style-type: none"> <li>• Adishwar Motors Pvt Ltd</li> <li>• Subhiksha Trading Services Ltd.</li> <li>• Aditya Birla Retails Ltd.</li> </ul>	21 Years
Mr. Malav Patel	Asst. Manager Accounts and Finance	January 01, 2008	2.99	Bachelor of Commerce	<ul style="list-style-type: none"> <li>• Subhiksha Trading Services</li> <li>• Aditya Birla Retail Ltd.</li> </ul>	10 Years

<sup>(1)</sup> Mr Jinen Ghelani is the Chairman Managing Director and CFO of our company. For details of his remuneration please refer to Remuneration of Executive Directors - Our Management on page no. 121 of this Prospectus

### Other Notes –

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Except Mr. Jinen Ghelani, none of them is related parties as per the Accounting Standard 18.

### Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP's is related to each other.

Also, none of them have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

## Shareholding of Key Managerial Personnel

None of our KMP's holds any shares of our Company as on the date of this Prospectus except as mentioned below:

- **Mr. Jinen Ghelani** holds 3,67,800 shares of our Company

## Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to / in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

## Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

Our Company does not have fixed bonus / profit sharing plan for any of the employees or key managerial personnel.

## Loans taken by Key Management Personnel

None of our Key Managerial Personnel have taken any loan from our Company as on the date of the Prospectus.

## Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP / ESPS scheme for employees.

## Payment or Benefit to our Officers

Except for the payment of salaries and yearly bonus, if any, we do not provide any other benefits to our employees.

## Changes in the Key Managerial Personnel in the three years preceding the date of filing this Prospectus

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Prospectus:



Name of Employee	Designation & Functional Area	Date of Appointment
Mr. Jinen Ghelani	Chief Finance Officer	May 21, 2016
Ms. Kruti Sheth	Company Secretary and Compliance Officer	May 09, 2016
Mr. Rajiv Gupta	Business Development Manager	February 17, 2014

## OUR PROMOTERS, PROMOTER GROUP

### THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Jinen Ghelani (Individual Promoter)
2. Mr. Hiren Ghelani (Individual Promoter)
3. NH Time Investments Research Pvt. Ltd. (Corporate Promoter)

The details of our Individual Promoters are provided below:

	<b>Mr. Jinen Ghelani</b>
	<b>PAN:</b> ABPPG9646L
	<b>Passport No.:</b> J0747908
	<b>Driver's License No.:</b> MP18R-2010-0053989
	<b>Voter's ID No.:</b> LPZ9185976
	<b>Name of Bank &amp; Branch:</b> ICICI Bank Limited, Ahmedabad Main, Ahmedabad
	<b>Bank A/c No.:</b> 624401086253
	<b>Mr. Hiren Ghelani</b>
	<b>PAN:</b> AHFPG8018G
	<b>Passport No.:</b> Z3887557
	<b>Driver's License No.:</b> GJ1319990060860
	<b>Voter's ID No.:</b> ZHS1248624
	<b>Name of Bank &amp; Branch:</b> HDFC Bank Limited, Matunga (East), Mumbai
	<b>Bank A/c No.:</b> 04241050010858

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts, other ventures and Directorships held in the past for our Individual Promoters, please see the chapter titled "Our Management" beginning on page no. 117 of this Prospectus

For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page no. 48 of this Prospectus.

### Brief Profile of Our Corporate Promoter: NH Time Investments Research Pvt. Ltd.

Name	NH Time Investments Research Pvt. Ltd.
Permanent Account Number	AACCN5329C
Company Registration Number	161416
CIN No	U74140MH2006PTC161416
Address of ROC with which the Company was registered	Everest, 100, Marine Drive, Mumbai – 400 002. <b>Tel No.:</b> +91 –22 - 2281 7259 / 2281 1493 <b>Fax No.:</b> +91 – 22 – 2281 2389
Bank Account Number	04242320000595
Name of the Bank and Branch	HDFC Bank (Matunga East)

### Corporate Information and Brief Description

NHTIRPL was incorporated under the Companies Act, 1956 as NH Time Investments Research Pvt. Ltd. on April 27, 2006 in the state of Maharashtra. Its registered office is situated Office No. 448, 4th Floor, Central Facility Building-1, APMC Masala Market, Sec 19, Phase 2, Market 1, Vashi Mumbai City Maharashtra 400073.

NHTIRPL was originally incorporated by Incorporated by Mr. Johny Vincent, Mr. Hardik Ghelani, Mrs. Neha Ghelani and Mr. Chandrakant Ghelani in 2006. Our current Promoters and Promoter Group holds 77.47% equity shares of this company.

NHTIRPL was not the original promoter of our company, however it currently holds 2,20,000 Equity Shares of our Company, which constitutes 7.23% of our Pre-Issue paid up Share Capital. The post- Issue Shareholding will be 5.30%. For details of the build-up of NHTIRPL's shareholding in Our Company, please see "Capital Structure"- Notes to Capital Structure on page no. 48 of this Prospectus. Further, we confirm that compliance with SEBI (SAST) Regulations and Listing Agreement was not applicable, since shares of our company were not listed on any Stock Exchange in India at the time of the said acquisitions.

**Main Object of the NHTIRPL is as follows:**

*To carry on business or vocation of advisors and consultants, conducting pre-investment studies and research and preparing report, investigation of industries services in connection with portfolio management for all type of persons whether living creature or person in eyes of law and whether in India or outside India and to carry out all activities with and in relation to the aforesaid business.*

*To carry on the business of investments including Managing of Private Portfolios, Managing investors' Funds and acting as a agent of other entities for all types of financial operations and to invest in the purchase of shares, stocks, units, debenture stocks, bonds, units, certificate of deposits, notes, bills or any other instrument whether or not transferable or negotiable, commercial or other papers or script mortgage, obligation and securities of any kinds issued or guaranteed by any company, corporation or undertaking whether incorporated or otherwise to become the agent or broker or sub broker of any company having the membership of any stock exchange".*

**Board of Directors:**

- Mr. Chandrakant Ghelani
- Mr. Hiren Ghelani

**Shareholding Pattern**

Shareholder Name	% of total holding
Promoters and Promoter Group	77.47%
Others	22.53%
<b>TOTAL</b>	<b>100.00%</b>

**Promoter of NHTIRPL**

The natural persons having control over NHTIRPL are Mr. Hiren Ghelani which along with other Promoter group members together holds 77.91% of the paid-up capital. *For details regarding Mr. Hiren Ghelani, please refer to Chapter "Promoters and Promoter Group" on page no. 132 of this Prospectus*

**Financial Information:**

The brief financial details of NHTIRPL derived from its audited financial statements, for Fiscals 2016, 2015 and 2014 are set forth below:

( ₹ in lakhs)

Sr. No.	Particulars	As at March 31		
		2016	2015	2014
1	Equity Shares Fully Paid	19.87	13.58	13.58
2	Equity Shares Partly Paid	0.12	0.12	0.12
3	Reserves and Surplus	(11.18)	(16.15)	(12.94)
4	Share Application Pending Allotment	-	4.43	4.43
5	Income including Other Income	0.78	7.28	0.98
6	Profit/ (Loss) After Tax	(4.48)	(3.21)	(6.49)

Sr. No.	Particulars	As at March 31		
		2016	2015	2014
7	Earnings Per Share	(2.24)	(2.34)	(4.74)
8	Net Asset Value per Share	4.41	(1.79)	0.56

**Other disclosures:**

- The equity shares of NHTIRPL are not listed on any stock exchange;
- NHTIRPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. Further, NHTIRPL does not have a negative net-worth in the immediately preceding year.
- No application has been made to RoC for striking off the name of NHTIRPL;
- NHTIRPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initialled for economic offences against the Company.

**Other Undertakings and Confirmations**

We confirm that the PAN, bank account number and passport number of the Individual Promoter have been submitted to the Stock Exchanges at the time of filing of the Draft Prospectus with the Stock Exchange.

We confirm that the PAN, bank account number and Certificate of Incorporation of the Corporate Promoter have been submitted to the Stock Exchanges at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters, the members of our Promoter Group have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

**Interests of Promoters**

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares 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 chapters titled “*Capital Structure*”, “*Financial Information*” and “*Our Management*” beginning on page nos. 47, 142 and 117 of this Prospectus.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

For Further details on the related party transaction, to the extent of which our Company is involved, please see “*Annexure XXI - Statement of Related Party Transaction*” on page no. 160 of this Prospectus.

**Common Pursuits of our Promoters**

There are no Common Pursuits between our Company and our Promoters and our Group Company. Further, as on the date of this Prospectus, our Promoter has no interest in any venture that is involved in activities similar to those conducted by our Company.



Our Company will adopt necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

#### **Companies with which the Promoters has disassociated in the last three years**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of the Draft Prospectus:

#### **Payment of Amounts or Benefits to the Promoters or Promoters Group during the last two years**

Except as stated in “*Annexure XXI – Statement of Related Party Transactions*” on page no. 160 of this Prospectus, there has been no payment of benefits to our Promoters during the two years preceding the date of the Prospectus.

#### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

#### **Interest of Promoters in the Property of our Company**

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of the Prospectus or proposed to be acquired by our Company as on the date of this Prospectus. For details, please see the chapter “*Business Overview*” on page no. 88 of this Prospectus.

Further, other than as mentioned in the chapter titled “*Business Overview*”, our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Our Promoters may be interested in rent being paid by our company to certain relatives who own these premises being occupied by the company. For further details please see “*Business Overview*” and “*Financial Information*” beginning on page nos. 88 and 142 of this Prospectus.

#### **Interest of Promoters in our Company other than as Promoter**

Other than as Promoter, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “*Our Management*” and “*Capital Structure*” beginning on page nos. 117 and 47 respectively of this Prospectus.

Except as mentioned in this section and the chapters titled “*Capital Structure*”, “*Business Overview*”, “*History and Certain Corporate matters*” and “*Annexure XXI – Statement of Related Party Transactions*” on page nos. 47, 88, 112 and 160 of this Prospectus, respectively, our Promoters do not have any interest in our Company other than as Promoters.

#### **Related Party Transactions**

Except as stated in the “*Annexure XXI – Statement of Related Party Transactions*” on page no. 160 of this Prospectus, our Company has not entered into related party transactions with our Promoters or our Group Companies.

#### **Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoters Group as on the date of this Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page no. 48 of this Prospectus.

#### **Other Confirmations**

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or Promoters nor have our Promoters been offered any inducements to

become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “Annexure XXI – Statement of Related Party Transactions” on page no. 160 of this Prospectus.

### Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled “Risk Factors” and chapter titled “Outstanding Litigation and Material Developments” beginning on page nos. 10 and 178 of this Prospectus.

### OUR PROMOTER GROUP

Apart from our Promoters, as per Regulation 2(1)(zb) of the SEBI (ICDR) Regulation, 2009, the following individuals and entities shall form part of our Promoters Group:

#### A. Natural Persons who are Part of the Promoter Group

Name of the Promoters	Name of the Relative	Relationship with the Promoter
Mr. Jinen Ghelani	Chandrakant Ghelani	Father
	Naliniben Ghelani	Mother
	Neha Ghelani	Wife
	Hiren Ghelani	Brother(s)
	Hardik Ghelani	
	Palak Ghelani	Daughter(s)
	Akshi Ghelani	
	Kaderbhai Sadikot	Wife's Father
	Jetunben Sadikot	Wife's Mother
	Hussain Sadikot	Wife's Brother(s)
Mr. Hiren Ghelani	Joyti Bagadia	Wife's Sister(s)
	Chandrakant Ghelani	Father
	Naliniben Ghelani	Mother
	Ameesha Karia	Wife
	Jinen Ghelani	Brother(s)
	Hardik Ghelani	
	Jitendra Karia	Wife's Father
	Pravina Karia	Wife's Mother
	Deepang Karia	Wife's Brother(s)

#### B. Companies / Corporate Entities forming part of the Promoter Group

As per Regulation 2(1)(zb)(iv) of the SEBI (ICDR) Regulations, 2009, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships shall form part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity/Company
1	Prosperity Securities Pvt. Ltd.
2	Jinen Ghelani (HUF)

## OUR GROUP COMPANIES

In addition to our Promoters & Promoter Group, as specified under the section “*Our Promoters and Promoter Group*” on page no. 132 of this Prospectus, the companies that form part of our ‘Group Companies’ are based on the requirements of the Schedule VIII of the SEBI (ICDR) Regulations, 2009, as amended.

Our Group Company based on the above are:

1. Prosperity Securities Pvt. Ltd.

## FINANCIAL INFORMATION OF GROUP ENTITIES

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of our group companies on the basis of Turnover, are given below:

### 1. Prosperity Securities Pvt. Ltd. (PSPL)

#### *Corporate Information:*

PSPL was incorporated under the Companies Act, 1956 as Prosperity Securities Pvt. Ltd. on October 22, 2009 in the state of Maharashtra. Its registered office is situated at No- 4, Plot No. 96/97, Next to Andhra School, Wadala Sewri Estate, Wadal West, Mumbai, Maharashtra - 400031, India. The main object of PSPL is to carry on the business of trading and services in equity & commodity market globally. The CIN No. of the Company is U67190MH2009PTC196621.

#### *Board of Directors:*

- Mr. Jinen Ghelani
- Mr. Hiren Ghelani
- Mr. Koteswar Rao Kodela

#### *Interest of our promoters:*

Our promoters and promoter group hold 46.39% equity shares of this company.

#### *Shareholding Pattern:*

Particulars	No. of Shares
Our promoters and promoter group	46.39%
Others	55.61%
Total	100.00%

#### *Financial Information:*

The brief financial details of PSPL derived from its audited financial statements, for Fiscals 2016, 2015 and 2014 are set forth below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31		
		2016	2015	2014
1	Equity Shares	11.63	11.63	1.00
2	Reserves and Surplus	12.91	12.54	(7.32)
3	Share Application Pending Allotment	0.00	0.00	17.17
4	Income including Other Income	0.65	4.44	0.00
5	Profit/ (Loss) After Tax	0.37	3.92	(0.42)
6	Earnings Per Share	0.32	3.37	(4.23)
7	Net Asset Value per Share	21.10	20.79	(63.21)

**Other disclosures:**

- The equity shares of PSPL are not listed on any stock exchange;
- PSPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. Further, PSPL does not have a negative net-worth in the immediately preceding year.
- No application has been made to RoC for striking off the name of PSPL;
- PSPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initialled for economic offences against the Company.

**NATURE AND EXTENT OF THE INTEREST OF THE GROUP COMPANIES IN OUR COMPANY**

**In the promotion of our Company**

None of the Group Companies have any interest in the promotion of our Company except their shareholding in our companies.

**In the properties acquired by our Company**

None of the Group Companies have any interest in the properties acquired by our Company within the two years of the date of filing the Draft Prospectus or proposed to be acquired by our Company.

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

None of the Group Companies have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

**Payment of amount or benefits to our Group Companies during the last two years**

Except as disclosed in the section “*Financial Information – Annexure XXI - Related Party Transactions*” beginning on page no. 160 of this Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them

**Common Pursuits of our Group Companies**

Save and except as disclosed in the chapter titled “*Group Companies*” beginning on page no. 137 of this Prospectus, None of our group Companies are currently undertakes the activities which are similar to our business

**Related business transactions within the Group Companies and its significance on the financial performance of our Company**

For details, please see the chapter titled “*Financial Statements- Annexure XXI Related Party Transactions*” on page no. 160 of this Prospectus.

**Sale/purchase between Group Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)**

For details, please see the chapter titled “*Financial Statements- Annexure XXI Related Party Transactions*” on page no. 160 of this Prospectus.

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## **Defunct Group Companies**

None of the Group Companies are defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies during the five years preceding the date of the Draft Prospectus.

## **Outstanding Litigations**

For details relating to the material legal proceedings involving our Group Companies, see the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 178 of this Prospectus.

## **Other Confirmations**

Our Group Companies have further confirmed that they have not been declared as wilful defaulters and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 10, 137 and 178 of this Prospectus, respectively. Additionally, none of our Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 10, 137 and 178 of this Prospectus, respectively

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## **CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES**

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Prospectus may contain 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 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.

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## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

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



## SECTION VI - FINANCIAL INFORMATION

### RESTATED FINANCIAL STATEMENTS

To,  
**The Board of Directors,**  
**Prime Customer Services Limited**  
 41/6, 8/A Haji PirKirvaniDargah,  
 Jamalpur Char Rasta, Nr. Marwari Chal,  
 Ahmedabad, Gujarat – 380001

Dear Sirs,

#### Re.: Proposed Public Issue of Equity Shares of Prime Customer Services Limited

1. We have examined the attached Restated Summary Statement of Assets and Liabilities of **Prime Customer Services Limited**, (hereinafter referred to as “**the Company**”) as at September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flow for the period / financial year ended on September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 (collectively referred to as the “**Restated Summary Statements**” or “**Restated Financial Statements**”) annexed to this report and initialed by us for identification purposes. These Restated Financial Statements have been prepared by the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of BSE Limited (“**BSE**”).
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
3. The Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period / year ended on September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 which have been approved by the Board of Directors.
4. In accordance with the requirements of the Act, ICDR Regulations and Guidance Note we report that:
  - (i) The “**Restated Statement of Asset and Liabilities**” as set out in **Annexure I** to this report, of the Company as at September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 are prepared by the Company and approved by the Board of Directors. These Statement of Asset and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - (ii) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the period / financial year ended on September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

- (iii) The "**Restated Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company for the period / financial year ended on September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.
5. Based on our examination and audited financial statements, we report that the Restated Financial Statements have been made after incorporating:
- Adjustments for the changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
  - Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
  - There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the period / financial year ended on September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 which would require adjustments in this Restated Financial Statements of the Company.
  - These Profits and 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 the Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this report.
  - There is no revaluation reserves, which needed to be disclosed separately in the Restated Financial Statements in the respective financial years.
6. We have audited the books of accounts for the period ended on September 30, 2016 and prepared financial statements for said period while the books of account for the financial year ending March 31, 2016, 2015, 2014, 2013 and 2012 are audited and the financial statements for the said years are prepared by the M/s. S.N. Shah & Associates.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period / financial year ended on September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 proposed to be included in the Draft Prospectus / Prospectus ("**Offer Document**").

### **Annexure of Restated Financial Statements of the Company:-**

- i. Summary Statement of Assets and Liabilities, as restated as ANNEXURE I;
  - ii. Summary Statement of Profit and Loss, as restated as ANNEXURE II;
  - iii. Summary Statement of Cash Flow, as restated as ANNEXURE III;
  - iv. Significant Accounting Policies and Notes to Accounts in ANNEXURE IV;
  - v. Details of Details of Share Capital as Restated as appearing in ANNEXURE V to this report;
  - vi. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;
  - vii. Details of Long Term Borrowings as Restated as appearing in ANNEXURE VII to this report;
  - viii. Details of Short Term Borrowings as Restated as appearing in ANNEXURE VIII to this report;
  - ix. Details of Trade Payables as Restated as appearing in ANNEXURE IX to this report;
  - x. Details of Other Current Liabilities as Restated as appearing in ANNEXURE X to this report;
  - xi. Details of Short Term Provisions as Restated as appearing in ANNEXURE XI to this report;
  - xii. Details of Non-Current Investments as Restated as appearing in ANNEXURE XII to this report;
  - xiii. Details of Other Non-Current Assets as Restated as appearing in ANNEXURE XIII to this report;
  - xiv. Details of Inventories as Restated as appearing in ANNEXURE XIV to this report;
  - xv. Details of Trade Receivables as Restated as appearing in ANNEXURE XV to this report;
  - xvi. Details of Short Term Loans & Advances as Restated as appearing in ANNEXURE XVI to this report;
  - xvii. Details of Other Current Assets as Restated as appearing in ANNEXURE XVII to this report;
  - xviii. Details of Contingent Liabilities as Restated as appearing in ANNEXURE XVIII to this report;
  - xix. Details of Revenue from Operations as appearing in ANNEXURE XIX to this report;
  - xx. Details of Other Income as Restated as appearing in ANNEXURE XX to this report;
  - xxi. Details of Related Parties Transactions as Restated as appearing in ANNEXURE XXI to this report;
  - xxii. Details of Significant Accounting Ratios as Restated as appearing in ANNEXURE XXII to this report;
  - xxiii. Capitalization Statement as Restated as at September 30, 2016 as appearing in ANNEXURE XXIII to this report;
  - xxiv. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXIV to this report;
8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  10. In our opinion, the above financial information contained in Annexure I to XXIV of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations and Guidance Note.
  11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For O. P. Bhandari & Co.**  
**Chartered Accountants**  
**Firm Registration No.:112633W**

**(CA O. P. Bhandari)**  
**Partner**  
**Membership No. 034409**

**Place: Ahmedabad**  
**Date: February 14, 2017**

## ANNEXURE 1

### STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2016	As at March 31,				
		2016	2015	2014	2013	2012
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' Funds</b>						
a. Share Capital	304.30	152.15	91.63	54.74	49.74	39.97
b. Reserves & Surplus	91.89	218.54	155.18	139.26	114.32	52.50
Share Application Money Pending Allotment	-	-	-	-	-	23.18
<b>Non Current Liabilities</b>						
a. Long Term Borrowings	37.00	47.42	52.95	59.58	77.68	32.38
b. Deferred Tax Liabilities	4.70	5.68	10.98	15.60	17.76	0.05
c. Long Term Provisions	2.57	2.57	-	-	-	-
<b>Current Liabilities</b>						
a. Short Term Borrowings	221.24	157.53	152.76	118.71	123.48	73.12
b. Trade Payables	55.61	74.53	63.58	78.41	38.97	23.21
c. Other Current Liabilities	31.91	31.40	68.81	84.37	66.35	36.59
d. Short Term Provisions	10.97	17.54	15.10	13.16	12.15	9.66
<b>TOTAL</b>	<b>760.19</b>	<b>707.36</b>	<b>610.99</b>	<b>563.83</b>	<b>500.46</b>	<b>290.66</b>
<b>ASSETS</b>						
<b>Non Current Assets</b>						
a. Fixed Assets						
i. Tangible Assets	212.09	205.72	200.07	195.18	187.56	24.04
Less: Accumulated Depreciation	118.21	108.61	78.98	49.36	24.57	8.73
ii. Intangible Assets (Net)	0.21	0.27	0.36	0.48	0.48	-
iii Capital Work in Progress	-	-	-	-	5.14	10.41
<b>Net Block</b>	<b>94.09</b>	<b>97.39</b>	<b>121.45</b>	<b>146.30</b>	<b>168.62</b>	<b>25.73</b>
b. Deferred Tax Assets (Net)	-	-	-	-	-	-
c. Non-current Investments	16.18	16.18	16.18	16.18	16.18	16.05
d. Other Non Current Assets	15.35	10.35	11.79	14.73	13.76	10.52
<b>Current Assets</b>						
a. Inventories	169.95	168.22	130.94	67.57	52.07	14.24
b. Trade Receivables	225.66	257.38	182.52	178.18	138.17	101.16
c. Cash and Cash Equivalents	75.34	72.31	79.20	72.98	64.20	13.75
d. Short Term Loans & Advances	163.62	85.53	68.89	67.89	47.45	108.69
e. Other Current Assets	-	-	-	-	-	0.52
<b>TOTAL</b>	<b>760.19</b>	<b>707.36</b>	<b>610.99</b>	<b>563.83</b>	<b>500.46</b>	<b>290.66</b>

## ANNEXURE II

### STATEMENT OF PROFIT AND LOSS AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>INCOME</b>						
Revenue from Operations	1,389.93	2,103.50	1,959.48	1,746.21	1,068.66	747.34
Other Income	1.84	1.16	2.40	1.45	0.25	-
<b>Total Income (A)</b>	<b>1,391.77</b>	<b>2,104.66</b>	<b>1,961.88</b>	<b>1,747.65</b>	<b>1,068.92</b>	<b>747.34</b>
<b>EXPENDITURE</b>						
Purchase of Stock-in-Trade	1,006.34	1,330.49	1,384.85	1,146.39	597.99	366.77
Changes in inventories of finished goods, traded goods and work-in-progress	(1.36)	(38.45)	(58.22)	(15.50)	(37.82)	(10.19)
Employee benefit expenses	244.08	439.59	426.71	430.39	339.74	272.27
Finance costs	13.59	31.40	29.62	22.90	19.44	5.57
Depreciation and amortisation expense	9.67	31.79	29.74	24.79	15.96	2.27
Other Expenses	83.97	270.50	137.00	124.34	103.71	92.26
<b>Total Expenses (B)</b>	<b>1,356.29</b>	<b>2,065.32</b>	<b>1,949.71</b>	<b>1,733.31</b>	<b>1,039.01</b>	<b>728.95</b>
<b>Profit before extraordinary items and tax (C)</b>	<b>35.47</b>	<b>39.34</b>	<b>12.17</b>	<b>14.34</b>	<b>29.91</b>	<b>18.39</b>
Extraordinary items	-	-	-	-	-	-
<b>Profit before tax (D)</b>	<b>35.47</b>	<b>39.34</b>	<b>12.17</b>	<b>14.34</b>	<b>29.91</b>	<b>18.39</b>
<i>Tax expense :</i>						
(i) Current tax	10.96	17.54	8.47	6.63	6.53	5.62
(ii) Deferred tax	(0.98)	(5.30)	(4.62)	(2.16)	17.71	0.06
<b>Total Tax Expense (E)</b>	<b>9.98</b>	<b>12.24</b>	<b>3.85</b>	<b>4.47</b>	<b>24.24</b>	<b>5.68</b>
<b>Profit for the year (D-E)</b>	<b>25.49</b>	<b>27.10</b>	<b>8.32</b>	<b>9.87</b>	<b>5.66</b>	<b>12.71</b>

# ANNEXURE III

## STATEMENT OF CASH FLOW AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Cash flow from operating activities:</b>						
Net Profit before tax as per Profit And Loss A/c	35.47	39.34	12.17	14.34	29.91	18.39
Adjusted for:						
Preliminary Expenses w/off	-		-	-	0.52	0.52
Profit on sale of Fixed Assets	-	(0.34)	-	-	-	-
Depreciation & Amortisation	9.67	31.79	29.74	24.79	15.96	2.27
Interest & Finance Cost	13.59	31.40	26.85	21.45	19.44	5.57
Interest Income	-	(0.15)	(0.14)	-	(0.13)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>58.73</b>	<b>102.04</b>	<b>68.62</b>	<b>60.59</b>	<b>65.70</b>	<b>26.75</b>
Adjusted for (Increase)/ Decrease:						
Trade Receivables	31.72	(74.86)	(4.34)	(40.01)	(37.02)	(65.95)
Inventories	(1.73)	(37.28)	(63.38)	(15.50)	(37.82)	(10.19)
Short Term Loans and Advances	(78.10)	(16.63)	1.01	(16.96)	70.74	(85.85)
Trade payables	(18.92)	11.12	(14.83)	39.44	15.76	9.98
Current Liabilities	0.51	(37.41)	(17.39)	22.53	39.49	34.90
Other Non Current Assets	(5.00)	1.44	2.94	(0.97)	(3.24)	(4.34)
<b>Cash Generated From Operations</b>	<b>(12.77)</b>	<b>(51.58)</b>	<b>(27.37)</b>	<b>49.12</b>	<b>113.61</b>	<b>(94.71)</b>
Direct Tax Paid	(17.54)	(15.10)	(8.56)	(9.03)	(8.27)	(6.34)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(30.31)</b>	<b>(66.68)</b>	<b>(35.93)</b>	<b>40.09</b>	<b>105.34</b>	<b>(101.05)</b>
<b>Cash Flow From Investing Activities:</b>						
Purchase of Fixed Assets	(6.37)	(8.88)	(6.64)	(2.47)	(158.86)	(14.38)
Sale of Fixed Asset	-	3.57	1.75	-	-	-
Long Term Investments	-		-	-	(0.14)	-
Interest Income	-	0.15	0.14	-	0.13	-
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(6.37)</b>	<b>(5.16)</b>	<b>(4.76)</b>	<b>(2.47)</b>	<b>(158.87)</b>	<b>(14.38)</b>
<b>Cash Flow from Financing Activities:</b>						
Proceeds From Share Capital/Securities Premium	-	97.11	44.50	20.00	18.02	12.60
Proceeds From Share Application Money/Call Money	-	-	-	-	9.73	13.98
Increase/(Decrease) Long Term Borrowing	(10.42)	(5.53)	(4.80)	(22.60)	45.31	32.38
Increase/ (Decrease) in Short Term Borrowing	63.71	4.77	34.05	(4.78)	50.36	69.75
Interest & Financial Charges	(13.59)	(31.40)	(26.85)	(21.45)	(19.44)	(5.57)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>39.70</b>	<b>64.95</b>	<b>46.90</b>	<b>(28.84)</b>	<b>103.98</b>	<b>123.14</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3.02</b>	<b>(6.89)</b>	<b>6.22</b>	<b>8.78</b>	<b>50.45</b>	<b>7.71</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>72.31</b>	<b>79.20</b>	<b>72.98</b>	<b>64.20</b>	<b>13.75</b>	<b>6.04</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>75.34</b>	<b>72.31</b>	<b>79.20</b>	<b>72.98</b>	<b>64.20</b>	<b>13.75</b>

## **ANNEXURE – IV**

### **RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:**

#### **A. SIGNIFICANT ACCOUNTING POLICIES:**

##### **1. Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 and the related restated summary statement of profits and loss and cash flows for the period / years ended September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period /years ended on September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of BSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

##### **2. Accounting Conventions:**

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles in India. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

##### **3. Use of estimates:**

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates.

##### **4. Current and non-current classification:**

All the Assets and Liabilities have been classified as current and non-current based on the normal operating cycle of the Company and other criteria laid down in Schedule III of the Companies Act, 2013. Based on the nature of products / services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

##### **5. Fixed Assets:**

Fixed Assets are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Fixed Assets comprises of their purchase price, including freight, duties, taxes or levies and directly attributable cost of bringing the assets to their working conditions for their intended use. Subsequent expenditures on Fixed Assets have been capitalised only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance.



## **6. Intangible Assets:**

The Intangible Assets of Accounting Software has been recognised at their cost of acquisition. On the basis of the availability of this asset for its intended use, relevant contractual agreements and technological changes that may affect the usefulness of these assets, the useful lives of these assets have been assumed to be of five years from the date of their acquisition.

## **7. Depreciation:**

The Depreciation on Tangible Fixed Assets is provided on written down value method (WDV) for the period of acquisition/construction i.e. from the period from which such assets were available for their intended use on pro-rata basis on the basis of useful life of each of the fixed assets as per Schedule II of the Companies Act, 2013 and in the manner specified in Schedule II of the Companies Act, 2013.

As at the beginning of the financial year, the management of the company had assessed the useful life of each of the fixed assets on the basis of technical specifications of the respective assets and had determined that the estimated useful lives of fixed assets will in all probability be as per Part-C of Schedule-II.

The amount of depreciation for the year on the tangible fixed assets having residual useful lives as at the commencement of the year as per Schedule II, has been derived by subtracting five per of the original cost of each of the assets as salvage value from the carrying amount respective assets as per the books of account as at the commencement of the year and the cost of acquisition in case of assets acquired during the year and such remaining carrying value or cost has been depreciated over the remaining years of useful lives of assets.

The intangible assets have been depreciated on pro-rata basis over period of their estimated useful lives on straight line basis i.e. @ 20.00%.

## **8. Inventories:**

Inventories of fruits, vegetables and other perishable items have been valued at cost or market value whichever is lower.

## **9. Retirement Benefit:**

The Company's provided for gratuity and other employee benefit expenses in accordance with the provision of AS-15, on Employee Benefit Expense.

## **10. Provisions, Contingent Liabilities and Contingent Assets:**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognised.

## **11. Revenue Recognition:**

All income and expenses are accounted on accrual basis. The Company recognised sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. Income from service charges of manpower supply services, handling charges, packing services, storage and warehousing etc. are accounted on completion of service for the respective client as evidenced by the issue of invoices for the respective service to that client. Income from investments, where appropriate, is taken into revenue in full on declaration or accrual and tax deducted at source thereon is treated as advance tax.

## **12. Investments:**

All investments are classified as long term investments as they are intended to be held for more than one year from the date when they were acquired. All investments are, initially recognised at cost. The investments are carried at cost of acquisition.

## **13. Borrowing Costs:**

The borrowing costs are debited to the Statement of Profit and Loss of the current year as they are incurred.

## **14. Taxes on Income:**

Tax expense comprises of current tax and deferred tax. Provision for current tax is made on the estimated taxable income and at the rate applicable to the relevant assessment year under the Income tax Act, 1961. Deferred income taxes are recognized for future consequences attributable to timing differences between financial determination of income and determination as of income as per applicable tax laws.

## **15. Contingent Liabilities / Provisions:**

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

Provision is made in the accounts in respect of contingent liabilities which is likely to materialize into liabilities after the year end, till the finalization of accounts and which have material effect on the position stated in the Balance Sheet.

## **16. Earnings Per Share:**

Basic earnings per share is computed by dividing the net profit for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

## **17. Foreign Currency Transactions:**

Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year-end are adjusted at the year-end exchange rates. Any gain or loss arising on account of exchange difference either on settlement or no translation is recognized in the Statement of Profit and Loss except in case of Long Term Liabilities.

## **B. NOTES TO ACCOUNTS ON RESTATED FINANCIAL STATEMENTS:**

### **1. Reconciliation of Restated Profits:**

There is no change in the audited and the restated profits, hence reconciliation is not required.

### **2. Material regroupings:**

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the period ended September 30, 2016 and for the year ended 31 March 2016, prepared in accordance with Revised schedule VI, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

### 3. Managerial Remuneration:

(₹ in lakhs)

Particulars	Sep 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Mr. Jinen C. Ghelani	1.77	3.60	3.60	3.60	3.60	6.00
Mr. Hiren C. Ghelani	4.40	8.90	8.90	8.90	8.90	-
Mrs. Neha J. Ghelani	1.77	3.60	3.60	3.60	3.60	3.00
Mr. K.K. Rao	-	-	2.76	5.46	4.80	3.60
Mr. Sameer Rajguru	1.98	-	-	-	-	-
<b>T O T A L</b>	<b>9.92</b>	<b>16.10</b>	<b>18.86</b>	<b>21.56</b>	<b>20.90</b>	<b>12.60</b>

### 4. Auditors Remuneration include:

(₹ in lakhs)

Particulars	Sep 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
For Statutory Audit	-	0.70	0.55	0.55	0.55	0.55
For Tax Audit	-	0.30	0.20	0.20	0.20	0.20
For Services related to Income Tax & Service Tax	-	-	0.21	0.21	0.21	0.21
Service Tax on Above Services	-	0.15	0.13	0.12	0.12	0.12
<b>T O T A L</b>	<b>-</b>	<b>1.15</b>	<b>1.09</b>	<b>1.08</b>	<b>1.08</b>	<b>1.08</b>

### 5. Deferred Tax Liability / (Assets):

As required by Accounting Standard 22 on “Accounting for Taxes on Income”, Deferred Tax comprises of the following items:

Particulars	Sep 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
In respect of Depreciation	15,20,594	18,38,429	35,52,596	50,49,707	57,46,632	18,233
Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%
Net Deferred Tax Liability / (Asset)	4,68,864	5,68,000	10,98,000	15,60,000	17,76,000	6,000

6. The company has initiated the process of obtaining confirmations from the suppliers as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). However, the company is yet to receive confirmations from suppliers as to their as Micro, Small and Medium Enterprises and hence interest due to them if any as per the provision of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006) could not be determined or provided.

**ANNEXURE - V**  
**DETAILS OF SHARE CAPITAL AS RESTATED**

**(i) Details of Share Capital as Restated**

(₹ in lakhs, except No. of shares)

Particulars	Sep 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Equity Share Capital</b>						
<b>Authorised Share capital</b>						
Equity Shares of ₹ 10 each	420.00	420.00	200.00	200.00	200.00	200.00
<b>T O T A L</b>	<b>420.00</b>	<b>420.00</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>						
<b>Issued and Subscribed Share Capital</b>						
<b>2011-12</b>						
13,31,700 Equity Shares of ₹ 10 each						133.17
<b>2012-13</b>						
15,21,500 Equity Shares of ₹ 10 each					152.15	
<b>2013-14</b>						
17,21,500 Equity Shares of ₹ 10 each				172.15		
<b>2014-15</b>						
17,21,500 Equity Shares of ₹ 10 each			172.15			
<b>2015-16</b>						
15,21,500 Equity Shares of ₹ 10 each		152.15				
<b>2015-16 (Upto September - 2016)</b>						
30,43,000 Equity Shares of ₹ 10 each	304.30					
<b>Paid Up Share Capital</b>						
<b>2011-12</b>						
2,83,700 Equity Shares of ₹ 10 each Fully Paid up						28.37
10,20,000 Equity Shares of ₹. 10 each ₹. 1 Paid Up Per Share						10.20
28,000 Equity Shares of ₹. 10 each ₹. 5 Paid Up Per Share						1.40

Particulars	Sep 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>2012-13</b>						
3,65,922 Equity Shares of ₹. 10 each Fully Paid up					36.59	
10,75,776 Equity Shares of ₹. 10 each ₹ 1 Paid Up Per Share					10.76	
2 Equity Shares of ₹. 10 each ₹. 2 Paid Up Per Share					0.00	
79,800 Equity Shares of ₹. 10 each ₹. 3 Paid Up Per Share					2.39	
<b>2013-14</b>						
3,65,922 Equity Shares of ₹. 10 each Fully Paid up				36.59		
10,75,776 Equity Shares of ₹. 10 each Re. 1 Paid Up Per Share				10.76		
2 Equity Shares of ₹. 10 each ₹. 2 Paid Up Per Share				0.00		
79,800 Equity Shares of ₹. 10 each ₹. 3 Paid Up Per Share				2.39		
2,00,000 Equity Shares of ₹. 10 each ₹. 2.5 Paid Up Per Share				5.00		
<b>2014-15</b>						
7,85,166 Shares of ₹ 10 each fully paid up			78.52			
6,98,828 Shares of ₹ 10 each ₹ 1 paid up Per Share			6.99			
6 Shares of ₹ 10 each ₹ 2 paid up Per Share			0.00			
37,500 Equity Shares of ₹ 10 each ₹ 3 Paid Up Per Share			1.12			
2,00,000 Equity Shares of ₹ 10 each ₹ 2.5 Paid Up Per Share			5.00			
<b>2015-16</b>						
15,21,500 Equity Shares of ₹ 10 each Fully Paid up		152.15				
2,00,000 Shares of ₹ 10 each		20.00				
Less: Calls in Arrea						
₹ 7.5 Per Shares Issued to Shri Rajesh Ghevaria		(15.00)				
Less: Shares Forfeited						
₹ 2.5 Per Shares Paid By Shri Rajesh Ghevaria		(5.00)				
<b>2015-16 (September 30, 2016)</b>						
30,43,000 Equity Shares of ₹ 10 each Fully Paid up	304.30	-	-	-	-	-
<b>TOTAL</b>	<b>304.30</b>	<b>152.15</b>	<b>91.63</b>	<b>54.74</b>	<b>49.74</b>	<b>39.97</b>

(ii) Reconciliation of number of shares outstanding at the end of year

Particulars	September 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b><i>Equity Shares of Rs 10 each</i></b>						
Equity shares at the beginning of the year	15,21,500	17,21,500	17,21,500	15,21,500	13,31,700	12,95,700
Add: Shares Allotted during the year	-	-	-	2,00,000	1,89,800	36,000
Add: Bonus Shares issued during the year	15,21,500	-	-	-	-	-
Less: Shares Forfeited	-	(2,00,000)	-	-	-	-
<b><i>Equity Shares at the end of the year</i></b>	<b>30,43,000</b>	<b>15,21,500</b>	<b>17,21,500</b>	<b>17,21,500</b>	<b>15,21,500</b>	<b>13,31,700</b>

## ANNEXURE – VI

### DETAILS OF RESERVES AND SURPLUS AS RESTATED

(₹ in lakhs)

Particulars	Sept 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Surplus (Profit &amp; Loss Account)</b>						
Opening Balance	78.07	51.30	42.99	33.05	27.36	14.66
Add: Profit for the year	25.49	27.10	8.32	9.87	5.66	12.71
Add: Excess Provision for Taxation of Earlier written back	-	-	-	0.06	0.03	-
Less: Short Provision for Taxation of Earlier written off	-	(0.33)	(0.01)	-	-	-
Less: Bonus Shares Issued	(64.56)	-	-	-	-	-
<b>Closing Balance</b>	<b>39.01</b>	<b>78.07</b>	<b>51.30</b>	<b>42.99</b>	<b>33.05</b>	<b>27.36</b>
<b>Securities Premium</b>						
Opening Balance	87.59	56.00	48.39	33.39	25.14	16.14
Add: Additions During the Year	-	31.59	7.61	15.00	8.25	9.00
Less: Utilised for allotment of Bonus Shares	(87.59)	-	-	-	-	-
<b>Closing Balance</b>	<b>-</b>	<b>87.59</b>	<b>56.00</b>	<b>48.39</b>	<b>33.39</b>	<b>25.14</b>
<b>Subsidy Reserve</b>						
Opening Balance	47.88	47.88	47.88	47.88	-	-
Add: Additions During the Year	-	-	-	-	47.88	-
<b>Closing Balance</b>	<b>47.88</b>	<b>47.88</b>	<b>47.88</b>	<b>47.88</b>	<b>47.88</b>	<b>-</b>
<b>Capital Reserve</b>						
Opening Balance	5.00	-	-	-	-	-
Add: Additions During the Year	-	5.00	-	-	-	-
<b>Closing Balance</b>	<b>5.00</b>	<b>5.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>T O T A L</b>	<b>91.89</b>	<b>218.54</b>	<b>155.18</b>	<b>139.26</b>	<b>114.32</b>	<b>52.50</b>

## ANNEXURE - VII

### DETAILS OF LONG TERM BORROWINGS AS RESTATED

(₹ in lakhs)

Particulars	Sept 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Secured</b>						
From Banks						
-Term Loan	34.92	43.21	43.08	52.63	63.57	30.72
-Vehicle Loan	2.08	2.57	0.37	1.39	3.13	1.66
<b>Unsecured</b>						
Loan from Directors, Relatives & Shareholders	-	-	-	-	-	-
Loan From Others	-	-	-	1.99	1.99	-
Loan from Bank/Financial Institutions	-	1.64	9.50	3.58	8.99	-
<b>T O T A L</b>	<b>37.00</b>	<b>47.42</b>	<b>52.95</b>	<b>59.58</b>	<b>77.68</b>	<b>32.38</b>



## NATURE OF SECURITY AND TERMS OF REPAYMENT FOR TERM LOANS FROM BANKS

Nature of Security	Terms of Repayment	Guarantee
<b>Prime Security:</b> Hypothecation of Plant & Machinery and other Fixed Assets purchased out of Term Loan. <b>Collateral Security:</b> 1. Secured by Equitable Mortgage of Residential Flat at D/31, Amaltas Apartment, Behind Fun Republic, Ahmedabad -380015 2. Secured by Equitable Mortgage of Commercial Office No. 102, Sanskar-2 Complex, Near Ketav Petrol Pump, Ambawadi Ahmedabad -380006	Term Loan to be repaid in 54 monthly installments of ₹ 2.41 lakhs each commencing from May-2012. (As per Original Sanction). Now Repayment to be made by Monthly Instalment of ₹ 1.25 lakhs	Entire Term loans secured by personal guarantees of the directors of the company Mr. Jinen Ghelani, Mr. Hiren Ghelani and Ms. Neha Ghelani

## ANNEXURE - VIII

### DETAILS OF SHORT TERM BORROWINGS AS RESTATED

(₹ in lakhs)

Particulars	Sept 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Secured</b>						
Cash Credit Loan from Bank	221.24	157.53	152.76	118.71	123.48	73.12
<b>TOTAL</b>	<b>221.24</b>	<b>157.53</b>	<b>152.76</b>	<b>118.71</b>	<b>123.48</b>	<b>73.12</b>

## NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS

Nature of Security	Terms of Repayment	Guarantee
<b>Primary Security:</b> Secured by Hypothecation of all chargeable stock and books debts of the company as primary security. <b>Collateral Security:</b> 1. Secured by Equitable Mortgage of Residential Flat at D/31, Amaltas Apartment, B/H. Fun Republic, Ahmedabad -380015 2. Secured by Equitable Mortgage of Commercial Office No. 102, Sanskar-2 Complex, Nr. Ketav Petrol Pump, Ambawadi Ahmedabad -380015	Working Capital is Repayable on Demand.	Outstanding balances of working capital secured by personal guarantees of the directors of the company - Mr. Jinen Ghelani, Mr. Hiren Ghelani and Ms. Neha Ghelani

## ANNEXURE - IX

### DETAILS OF TRADE PAYABLES AS RESTATED

(₹ in lakhs)

Particulars	Sept 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Unsecured, considered good</b>						
Due to Micro, Small and Medium Enterprises	-	-	-	-	-	-
For Goods	19.31	42.62	35.40	41.18	6.66	1.84
For Expenses & Others	36.30	31.91	28.18	37.23	32.30	21.37
<b>TOTAL</b>	<b>55.61</b>	<b>74.53</b>	<b>63.58</b>	<b>78.41</b>	<b>38.97</b>	<b>23.21</b>

**Details of Trade Payables to Related Parties:**
*(₹ in lakhs)*

Particulars	Sept 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Due to Directors, their relatives & Associates	-	-	2.05	4.20	3.73	-
<b>T O T A L</b>	<b>-</b>	<b>-</b>	<b>2.05</b>	<b>4.20</b>	<b>3.73</b>	<b>-</b>

**ANNEXURE - X**
**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**
*(₹ in lakhs)*

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Current maturities of long term debt</b>						
Term loan	15.00	15.00	28.92	28.92	28.92	26.51
Vehicle loan	1.44	1.95	1.29	2.32	2.39	1.11
Unsecured-Loan from Bank/Financial Institutions	5.75	7.85	11.64	8.77	13.20	-
<b>Other payables</b>						
Statutory dues	9.73	6.37	5.61	8.80	9.95	3.35
Advances from Customers	-	0.24	-	0.22	1.64	4.14
Share Call Money	-	-	21.36	34.95	9.73	-
Other payables	-	-	-	0.39	0.51	1.48
<b>T O T A L</b>	<b>31.91</b>	<b>31.40</b>	<b>68.81</b>	<b>84.37</b>	<b>66.35</b>	<b>36.59</b>

**ANNEXURE – XI**
**DETAILS OF SHORT TERM PROVISIONS AS RESTATED**
*(₹ in lakhs)*

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Provision for Income Tax	10.97	17.54	15.10	13.16	12.15	9.66
<b>T O T A L</b>	<b>10.97</b>	<b>17.54</b>	<b>15.10</b>	<b>13.16</b>	<b>12.15</b>	<b>9.66</b>

**ANNEXURE – XII**
**DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED**
*(₹ in lakhs)*

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Shares -At Cost	16.05	16.05	16.05	16.05	16.05	16.05
Gold	0.14	0.14	0.14	0.14	0.14	-
<b>T O T A L</b>	<b>16.18</b>	<b>16.18</b>	<b>16.18</b>	<b>16.18</b>	<b>16.18</b>	<b>16.05</b>

**ANNEXURE – XIII**
**DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED**
*(₹ in lakhs)*

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Unsecured But Considered Good</b>						
Security Deposits	15.35	10.35	11.79	14.73	13.76	10.52
<b>T O T A L</b>	<b>15.35</b>	<b>10.35</b>	<b>11.79</b>	<b>14.73</b>	<b>13.76</b>	<b>10.52</b>

#### ANNEXURE – XIV

##### DETAILS OF INVENTORIES AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Closing Inventory	169.95	168.22	130.94	67.57	52.07	14.24
<b>T O T A L</b>	<b>169.95</b>	<b>168.22</b>	<b>130.94</b>	<b>67.57</b>	<b>52.07</b>	<b>14.24</b>

#### ANNEXURE – XV

##### DETAILS OF TRADE RECEIVABLES AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Unsecured, considered good</b>						
Less than six months	144.64	250.02	180.03	176.92	133.16	95.26
More than six months	81.01	7.36	2.49	1.26	5.02	5.90
<b>T O T A L</b>	<b>225.66</b>	<b>257.38</b>	<b>182.52</b>	<b>178.18</b>	<b>138.17</b>	<b>101.16</b>

##### Details of Trade Receivables from Related Parties

(₹ in lakhs)

Particulars	Sep 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>From</b>						
Key Management Persons	-	-	-	-	-	-
Relative of Key Management Persons	-	-	-	-	-	-
Associate Concerns	-	-	-	-	-	-
<b>T O T A L</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### ANNEXURE - XVI

##### DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Advance to supplier	157.44	72.40	44.25	43.66	31.79	20.46
Balances with Government Authorities	5.18	10.55	18.11	17.81	15.26	10.52
Advance to Staff	1.00	1.00	5.78	5.99	-	-
Advance to Others	-	-	-	-	-	76.30
Prepaid Expenses	-	1.58	0.76	0.43	0.40	1.41
<b>T O T A L</b>	<b>163.62</b>	<b>85.53</b>	<b>68.89</b>	<b>67.89</b>	<b>47.45</b>	<b>108.69</b>

##### Details of Short Term Loans and Advances from Related Parties

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>From</b>						
Key Management Persons	-	-	-	-	-	-
Relative of Key Management Persons	-	-	-	-	-	-
Associate Concerns	-	-	-	-	-	-
<b>T O T A L</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ANNEXURE – XVII

### DETAILS OF OTHER CURRENT ASSETS AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Preliminary Expenses	-	-	-	-	-	0.52
<b>T O T A L</b>	-	-	-	-	-	<b>0.52</b>

## ANNEXURE - XVIII

### DETAILS OF CONTINGENT LIABILITY AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Contingent Liabilities	-	-	-	-	-	-
<b>T O T A L</b>	-	-	-	-	-	-

## ANNEXURE – XIX

### DETAILS OF REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>A. Sales-Trading</b>						
<b>Vegetables, Fruits Etc.</b>						
- Local Sales -Net	1,058.68	1,468.90	1,462.10	1,288.46	678.68	391.60
- Export Sales-Net	-	37.15	-	-	-	-
<b>B. Service Charge Income</b>						
Handling Charges-Fruits & Vegetable	116.42	299.64	272.84	214.89	215.23	177.77
C & F Charges & Manpower Supply Charges	64.07	100.04	99.50	127.24	91.98	139.21
Packing Service Charges	72.72	148.36	119.06	107.30	79.46	38.76
Storage & Warehousing Services	77.73	49.12	5.98	8.32	3.32	-
<b>C. Export Subsidy</b>	0.32	0.27	-	-	-	-
<b>T O T A L</b>	<b>1,389.93</b>	<b>2,103.50</b>	<b>1,959.48</b>	<b>1,746.21</b>	<b>1,068.66</b>	<b>747.34</b>

## ANNEXURE – XX

### DETAILS OF OTHER INCOME AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Other income	1.84	1.16	2.40	1.45	0.25	-
Net Profit Before Tax as Restated	35.47	39.34	12.17	14.34	29.91	18.39
<b>Percentage</b>	<b>5.18%</b>	<b>2.96%</b>	<b>19.68%</b>	<b>10.08%</b>	<b>0.85%</b>	<b>0.00%</b>

## Source of Other Income

Particulars	Sept 30, 2016	For the year ended March 31,					
		2016	2015	2014	2013	2012	
Interest Income on FD	-	-	-	-	0.13	-	Recurring and not related to business activity
Sundry Balances Written off	-	0.17	-	0.27	-	-	Non-recurring and related to business activity
Interest received from Others	-	0.15	0.14	-	-	-	Recurring and related to business activity
Profit on Sales of Fixed Assets	-	0.34	-	-	-	-	Non-recurring and related to business activity
Other Misc. Income	0.50	0.50	2.26	1.18	0.13	-	Recurring and related to business activity
Scrap Sales	1.34	-	-	-	-	-	Non-recurring and related to business activity
<b>Total Other Income</b>	<b>1.84</b>	<b>1.16</b>	<b>2.40</b>	<b>1.45</b>	<b>0.25</b>	<b>-</b>	

## ANNEXURE - XXI

### DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED

Name of Relative	Nature of Relation
<i>Key Management Personnel</i>	
Mr. Jinen Ghelani	Director
Mr. Hiren C. Ghelani	Director
Mrs. Neha J. Ghelani	Director
Mr. Hardik C. Ghelani (Resigned w.e.f. 15/01/2015)	Director
Mr. K.K. Roa (Resigned w.e.f. 30/10/2014)	Director
Mr. Sameer R. Rajguru	Director
<i>Relatives of Key Management Personnel</i>	
Mr. Chandrakant C. Ghelani	Father of Directors
Mr. Hardik C. Ghelani	Brother of Director
Mrs. Manisha H. Ghelani	Wife of Director's Brother
Mrs. Ameesha Karia	Wife of Director
<i>Associate Concerns</i>	
N.H. Time Investment & Research Pvt. Ltd.	
Prosperity Securities Pvt. Ltd.	

# DETAILS OF TRANSACTIONS AND OUTSTANDING BALANCES

(₹ in lakhs)

Name	Nature of Transaction	Amount of Transaction upto 30.09.16	Amount Outstanding as on 30.09.2016 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.2016 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction in 2011-12	Amount Outstanding as on 31.03.12 (Payable)/ Receivable
Mr. Jinen C. Ghelani	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
	On Account of Expenses	-	-	-	-	-	-	-	0.60	-	0.12	-	-
	Directors Remuneration	1.49	-	3.60	-	3.60	-	3.60	-	3.60	-	6.00	-
Mr. Hiren C. Ghelani	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
	Rent Paid	0.45	-	0.89	-	1.79	-	1.79	-	1.79	-	1.08	-
	On Account of Expenses	-	-	-	-	-	1.40	-	1.59	-	2.11	-	-
	Salary	-	-	-	-	-	-	-	-	-	-	-	-
	Directors Remuneration	2.20	-	8.90	-	8.90	-	8.90	-	8.90	-	-	-
Mrs. Neha J. Ghelani	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
	On Account of Expenses	-	-	-	-	-	0.66	-	1.52	-	0.67	-	-
	Directors Remuneration	1.49	-	3.60	-	3.60	-	3.60	-	3.60	-	3.00	-
Mr. K.K. Rao	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
	On Account of	-	-	-	-	-	-	-	0.43	-	0.26	-	0.40

Name	Nature of Transaction	Amount of Transaction upto 30.09.16	Amount Outstanding as on 30.09.2016 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.2016 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction in 2011-12	Amount Outstanding as on 31.03.12 (Payable)/ Receivable
	Expenses												
	Directors Remuneration	-	-	-	-	2.76	-	5.46	-	4.80	-	3.60	-
Mr. Chandrakant C. Ghelani	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
	On Account of Expenses	-	-	-	-	-	-	-	0.06	-	0.57	-	-
	Salary	-	-	-	-	-	-	1.37	-	1.33	-	1.30	-
Mrs. Manisha C. Ghelani	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
	Professional Fees	-	-	-	-	-	-	-	-	-	-	0.25	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Amisha Ghelani	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
	Salary	1.04	-	3.85	-	-	-	-	-	-	-	-	-
Mr. Sameer Rajguru	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-
	Salary	0.99	-	-	-	-	-	-	-	-	-	-	-



## ANNEXURE - XXII

### DETAILS OF SIGNIFICANT ACCOUNTING RATIOS AS RESTATED

(₹ in lakhs, except No. of shares data)

Ratios	Sept, 30/2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Restated PAT as per P& L Account	25.49	27.10	8.32	9.87	5.66	12.71
Weighted Average Number of Equity Shares at the end of the Year	30,43,000	27,88,420	14,14,750	10,05,150	8,97,510	7,63,990
No. of shares outstanding at the end of the year	30,43,000	15,21,500	17,21,500	17,21,500	15,21,500	13,31,700
Net Worth	396.19	370.69	246.81	194.00	164.06	92.47
<b>Earnings Per Share</b>						
Basic & Diluted	0.84	0.97	0.59	0.98	0.63	1.66
<b>Return on Net Worth (%)</b>	6.43%	7.31%	3.37%	5.09%	3.45%	13.74%
<b>Net Asset Value Per Share (₹)</b>	13.02	24.36	14.34	11.27	10.78	6.94
Nominal Value per Equity share (₹)	10.00	10.00	10.00	10.00	10.00	10.00

#### Ratios have been calculated as below

- (i) Basic and Diluted Earnings Per Share (EPS) (₹) = 
$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year}}$$
- (ii) Return on Net Worth (%) = 
$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$$
- (iii) Net Asset Value per equity share (₹) = 
$$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year}}$$

## ANNEXURE - XXIII

### CAPITALISATION STATEMENT AS AT SEPTEMBER 30, 2016

(₹ in lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	221.24	221.24
Long Term Debt (B)	37.00	37.00
<b>Total debts (C=A+B)</b>	<b>258.24</b>	<b>258.24</b>
<b>Shareholders' funds</b>		
Equity share capital (D)	304.30	349.30
Reserve and surplus - as restated (E)	91.89	316.89
<b>Total shareholders' funds (F=D+E)</b>	<b>396.19</b>	<b>666.19</b>
<b>Long term debt / shareholders funds</b>	<b>0.09</b>	<b>0.06</b>
<b>Total debt / shareholders funds</b>	<b>0.65</b>	<b>0.39</b>

# ANNEXURE - XXIV

## STATEMENT OF TAX SHELTERS

(₹ in lakhs)

Particulars	Sept, 30 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b>Restated Profit before tax as per books (A)</b>	<b>35.47</b>	<b>39.34</b>	<b>12.17</b>	<b>14.34</b>	<b>29.91</b>	<b>18.39</b>
<b><u>Tax Rates</u></b>						
Income Tax Rate (%)	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%
Minimum Alternate Tax Rate (%)	19.06%	19.06%	19.06%	19.06%	19.06%	19.06%
Short Term Capital Gain Rate (%)	15.45%	15.45%	15.45%	15.45%	15.45%	15.45%
<b><u>Adjustments :</u></b>						
<b><u>Income considered separately</u></b>						
<b>Total Income considered separately (B)</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Timing Differences (C)</u></b>						
Book Depreciation	9.67	31.79	29.74	24.79	15.96	2.27
Effects of Other Allowance/Disallowance	-	(0.34)	0.27	0.14	0.63	0.02
Income Tax Depreciation Allowance	(6.48)	(14.06)	(14.77)	(17.82)	(25.36)	(2.50)
<b>Total Timing Differences (C)</b>	<b>3.19</b>	<b>17.38</b>	<b>15.24</b>	<b>7.10</b>	<b>(8.78)</b>	<b>(0.21)</b>
<b>Net Adjustments D = (B+C)</b>	<b>3.19</b>	<b>17.38</b>	<b>15.24</b>	<b>7.10</b>	<b>(8.78)</b>	<b>(0.21)</b>
<b>Tax expense / (saving) thereon</b>	<b>0.99</b>	<b>5.37</b>	<b>4.71</b>	<b>2.20</b>	<b>(2.71)</b>	<b>(0.06)</b>
<b>Income from Capital Gains (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income from Other Sources</b>						
Interest Income	-	-	-	-	-	-
<b>Total Income from Other Sources (F)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Taxable Income/(Loss) (A+D+E+F)</b>	<b>38.66</b>	<b>56.72</b>	<b>27.41</b>	<b>21.45</b>	<b>21.13</b>	<b>18.18</b>
<b>Income Tax on above</b>	<b>11.95</b>	<b>17.53</b>	<b>8.47</b>	<b>6.63</b>	<b>6.53</b>	<b>5.62</b>
<b>MAT on Book Profit</b>	<b>6.76</b>	<b>7.50</b>	<b>2.32</b>	<b>2.73</b>	<b>5.70</b>	<b>3.50</b>
<b>Tax paid as per normal or MAT</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>

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

*You should read the following discussion and analysis of our financial condition and results of operations together with our restated financial statements, including the notes thereto, and other financial data in Chapter titled "Financial Statements" beginning on page no. 142 of the Prospectus. You should also read the sections titled "Risk Factors" and "Forward-Looking Statements" beginning on page nos. 10 and 9, respectively, of the Prospectus which discuss a number of factors and contingencies that could impact our financial condition and results of operations.*

*The following discussion is based on our restated financial statements as of and for the nine months period ended September 30, 2016 and fiscal years ended March 31, 2016, 2015, 2014, 2013 and 2012. Our audited financial statements are prepared in accordance with Indian GAAP, the accounting standards prescribed by the ICAI and the relevant provisions of the Companies Act and restated in accordance with the relevant provisions of the SEBI Regulations and the Companies Act. Our fiscal year ends on March 31 of each year. Unless otherwise stated, "fiscal year" or "fiscal" refers to the twelve month period ending March 31 of that year.*

### **Significant Accounting Policies**

#### **1. Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 and the related restated summary statement of profits and loss and cash flows for the period / years ended September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period /years ended on September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of BSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

#### **2. Accounting Conventions:**

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles in India. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

#### **3. Use of estimates:**

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates.

#### **4. Current and non-current classification:**

All the Assets and Liabilities have been classified as current and non-current based on the normal operating cycle of the Company and other criteria laid down in Schedule III of the Companies Act, 2013. Based on the nature of products

/ services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### **5. Fixed Assets:**

Fixed Assets are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Fixed Assets comprises of their purchase price, including freight, duties, taxes or levies and directly attributable cost of bringing the assets to their working conditions for their intended use. Subsequent expenditures on Fixed Assets have been capitalised only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance.

#### **6. Intangible Assets:**

The Intangible Assets of Accounting Software has been recognised at their cost of acquisition. On the basis of the availability of this asset for its intended use, relevant contractual agreements and technological changes that may affect the usefulness of these assets, the useful lives of these assets have been assumed to be of five years from the date of their acquisition.

#### **7. Depreciation:**

The Depreciation on Tangible Fixed Assets is provided on written down value method (WDV) for the period of acquisition/construction i.e. from the period from which such assets were available for their intended use on pro-rata basis on the basis of useful life of each of the fixed assets as per Schedule II of the Companies Act, 2013 and in the manner specified in Schedule II of the Companies Act, 2013.

As at the beginning of the financial year, the management of the company had assessed the useful life of each of the fixed assets on the basis of technical specifications of the respective assets and had determined that the estimated useful lives of fixed assets will in all probability be as per Part-C of Schedule-II.

The amount of depreciation for the year on the tangible fixed assets having residual useful lives as at the commencement of the year as per Schedule II, has been derived by subtracting five per of the original cost of each of the assets as salvage value from the carrying amount respective assets as per the books of account as at the commencement of the year and the cost of acquisition in case of assets acquired during the year and such remaining carrying value or cost has been depreciated over the remaining years of useful lives of assets.

The intangible assets have been depreciated on pro-rata basis over period of their estimated useful lives on straight line basis i.e. @ 20.00%.

#### **8. Inventories:**

Inventories of fruits, vegetables and other perishable items have been valued at cost or market value whichever is lower.

#### **9. Retirement Benefit:**

The Company's provided for gratuity and other employee benefit expenses in accordance with the provision of AS-15, on Employee Benefit Expense.

#### **10. Provisions, Contingent Liabilities and Contingent Assets:**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognised.

### **11.Revenue Recognition:**

All income and expenses are accounted on accrual basis. The Company recognised sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. Income from service charges of manpower supply services, handling charges, packing services, storage and warehousing etc. are accounted on completion of service for the respective client as evidenced by the issue of invoices for the respective service to that client. Income from investments, where appropriate, is taken into revenue in full on declaration or accrual and tax deducted at source thereon is treated as advance tax.

### **12.Investments:**

All investments are classified as long term investments as they are intended to be held for more than one year from the date when they were acquired. All investments are, initially recognised at cost The investments are carried at cost of acquisition.

### **13.Borrowing Costs:**

The borrowing costs are debited to the Statement of Profit and Loss of the current year as they are incurred.

### **14. Taxes on Income:**

Tax expense comprises of current tax and deferred tax. Provision for current tax is made on the estimated taxable income and at the rate applicable to the relevant assessment year under the Income tax Act, 1961. Deferred income taxes are recognized for future consequences attributable to timing differences between financial determination of income and determination as of income as per applicable tax laws.

### **15.Contingent Liabilities / Provisions:**

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

Provision is made in the accounts in respect of contingent liabilities which is likely to materialize into liabilities after the year end, till the finalization of accounts and which have material effect on the position stated in the Balance Sheet.

### **16.Earnings Per Share:**

Basic earnings per share is computed by dividing the net profit for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

### **17.Foreign Currency Transactions:**

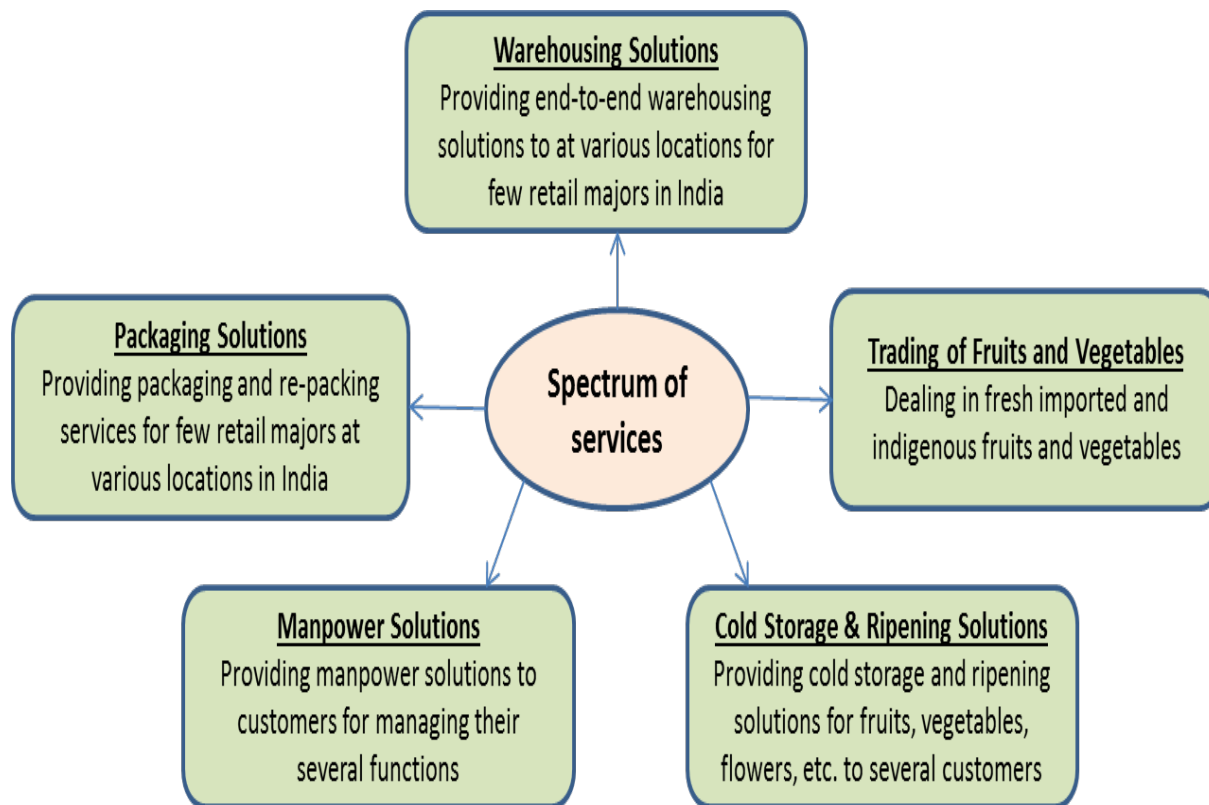
Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year-end are adjusted at the year-end exchange rates. Any gain or loss arising on account of exchange difference either on settlement or no translation is recognized in the Statement of Profit and Loss except in case of Long Term Liabilities.

## Business Overview

Incorporated in 2007, our Company is a multi-services customer focused organization and offer value added services to a whole range of clients spread across various business segments.

We are engaged in the business of providing services; namely, warehousing solutions, cold storage and ripening solutions, manpower solutions and packaging solutions. We are also engaged in trading of perishable food items, mainly fruits and vegetables in the domestic as well as export markets. Our customers are primarily located in the western India, majorly Gujarat and Maharashtra.

### Our spectrum of services:



With a strong backward integration and having a team of sourcing experts, our company continuously tries to get best quality F&V directly fresh from farm to its customers or end users. We supply products for Retail, Modern Trade, HoReCa, Foodservice, Wholesale, Governments and Manufacturing customers on regular basis. Food Safety and Traceability are our priority.

Our Company is having a state of art food processing unit at Ahmedabad for storage of various Fruits and Vegetables & Processed Material. The processing unit is strategically located under APMC Market of the city, with all modern equipments for handling & storage of Fruits & Vegetables. It's a Complete Integrated Pack House having facilities such as Pre-cooling & Ripening chamber, Storing/Grading, Processing, Packing and Dispatch area separately maintained with the help of skilled labor. We have our own logistics van/vehicles available for supply of F&V to various stores in and near by the city.

With an aim to provide value added, customer focused service, our company is broadly involved in the field of Manpower Solution in Gujarat. Our service outlook enables our clientele achieve an organizational excellence at every stage of their business.

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

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in the Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

### ***Significant Factors Affecting Our Results of Operations***

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page no. 10 of the Prospectus.

Among various other factors that affect our financial results and operations for a given financial year, some key factors are as follows:

- Changes in laws and regulations that apply to the industry;
- Increasing competition in the industry;
- Company’s inability to successfully implement its growth and expansion plans;
- General economic and business conditions.

### ***Overview of our Results of Operations***

As a result of the various factors discussed above that affect our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for the nine months period ended September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 as derived from our restated financial statements:



Particulars	For the period ended September 30,		For the year ended March 31,									
	2016	% of Total Income	2016	% of Total Income	2015	% of Total Income	2014	% of Total Income	2013	% of Total Income	2012	% of Total Income
<b>INCOME</b>												
Revenue from Operations	1,389.93	99.87%	2,103.50	99.94%	1,959.48	99.88%	1,746.21	99.92%	1,068.66	99.98%	747.34	100.00%
Other Income	1.84	0.13%	1.16	0.06%	2.40	0.12%	1.45	0.08%	0.25	0.02%	-	-
<b>Total Income (A)</b>	<b>1,391.77</b>	<b>100.00%</b>	<b>2,104.66</b>	<b>100.00%</b>	<b>1,961.88</b>	<b>100.00%</b>	<b>1,747.65</b>	<b>100.00%</b>	<b>1,068.92</b>	<b>100.00%</b>	<b>747.34</b>	<b>100.00%</b>
<b>EXPENDITURE</b>												
Cost of Goods sold	1,004.98	72.21%	1,292.04	61.39%	1,326.63	67.62%	1,130.89	64.71%	560.17	52.41%	356.58	47.71%
Employee benefit expenses	244.08	17.54%	439.59	20.89%	426.71	21.75%	430.39	24.63%	339.74	31.78%	272.27	36.43%
Finance costs	13.59	0.98%	31.40	1.49%	29.62	1.51%	22.9	1.31%	19.44	1.82%	5.57	0.75%
Depreciation and amortisation expense	9.67	0.69%	31.79	1.51%	29.74	1.52%	24.79	1.42%	15.96	1.49%	2.27	0.30%
Other Expenses	83.97	6.03%	270.50	12.85%	137	6.98%	124.34	7.11%	103.71	9.70%	92.26	12.35%
<b>Total Expenses (B)</b>	<b>1,356.29</b>	<b>97.45%</b>	<b>2,065.32</b>	<b>98.13%</b>	<b>1,949.71</b>	<b>99.38%</b>	<b>1,733.31</b>	<b>99.18%</b>	<b>1,039.01</b>	<b>97.20%</b>	<b>728.95</b>	<b>97.54%</b>
<b>Profit before extraordinary items and tax (C)</b>	<b>35.47</b>	<b>2.55%</b>	<b>39.34</b>	<b>1.87%</b>	<b>12.17</b>	<b>0.62%</b>	<b>14.34</b>	<b>0.82%</b>	<b>29.91</b>	<b>2.80%</b>	<b>18.39</b>	<b>2.46%</b>
Extraordinary items	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit before tax (D)</b>	<b>35.47</b>	<b>2.55%</b>	<b>39.34</b>	<b>1.87%</b>	<b>12.17</b>	<b>0.62%</b>	<b>14.34</b>	<b>0.82%</b>	<b>29.91</b>	<b>2.80%</b>	<b>18.39</b>	<b>2.46%</b>
<b>Total Tax Expense (E)</b>	<b>9.98</b>	<b>0.72%</b>	<b>12.24</b>	<b>0.58%</b>	<b>3.85</b>	<b>0.20%</b>	<b>4.47</b>	<b>0.26%</b>	<b>24.24</b>	<b>2.27%</b>	<b>5.68</b>	<b>0.76%</b>
<b>Profit for the year (D-E)</b>	<b>25.49</b>	<b>1.83%</b>	<b>27.10</b>	<b>1.29%</b>	<b>8.32</b>	<b>0.42%</b>	<b>9.87</b>	<b>0.56%</b>	<b>5.66</b>	<b>0.53%</b>	<b>12.71</b>	<b>1.70%</b>

### ***Description of Income Items***

#### **Income from operations**

Our income from operations consists of revenue from trading of fruits, vegetables, etc. and services income such as warehousing services, packaging services, manpower services, cold storage and ripening services, etc.

#### **Other Income**

Our Other income includes interest received, profit on sale of assets, etc.

### ***Description of Expenditure Items***

#### **Cost of Goods sold**

Our cost of goods sold includes purchase of goods, increase or decrease in inventories, purchase of packing material, etc.

#### **Employee Benefits Expenses**

Our employee benefits cost primarily consists of salaries, bonus, ESI contribution, PF contribution, staff welfare expenses, Director's Remuneration.

#### **Financial Cost**

Our financial cost includes interest and charges.

#### **Depreciation**

Depreciation includes depreciation on machinery, office equipment, furniture, etc.

#### **Other Expenses**

Other expenses include administration expenses, office expenses, audit fees, rent, electricity, freight and transportation expenses, marketing expenses, travelling and conveyance expenses, miscellaneous expenses, etc.

### ***Review of six months period ended September 30, 2016***

#### **Incomes**

##### **Income from operations**

Our income from operations was ₹1,389.93 lakhs which are 99.87% of our total income for the six months period ended September 30, 2016.

##### **Other Income**

Our other income was ₹ 1.84 lakhs which are 0.13% of our total income for the six months period ended September 30, 2016.

#### **Expenditure**

##### **Cost of Goods Sold**

Our cost of goods sold was ₹1,004.98 lakhs which 72.21% of our total income for the six months period ended September 30, 2016.

### **Employee Benefits Expenses**

Our employee benefits expenses were ₹ 244.08 lakhs which was 17.54% of our total income for the six months period ended September 30, 2016.

### **Finance Cost**

Our finance costs were ₹ 13.59 lakhs which was 0.98% of our total income for the six months period ended September 30, 2016.

### **Depreciation and amortization expenses**

Our depreciation and amortization expenses were ₹ 9.67 lakhs which was 0.69% of our total income for the six months period ended September 30, 2016.

### **Other Expenses**

Our other expenses were ₹ 83.97 lakhs which was 6.03% of our total income for the six months period ended September 30, 2016.

### **Profit before tax**

Our profit before tax was ₹ 35.47 lakhs for the six months period ended September 30, 2016.

### **Net Profit after tax as Restated**

Our restated net profit was ₹ 25.49 lakhs for the six months period ended September 30, 2016.

### ***Comparison of Fiscal 2016 with Fiscal 2015***

#### **Incomes**

##### **Income from operations**

Our income from operations increased by 7.35% from ₹1,959.48 lakhs in Fiscal 2015 to ₹2,103.50 lakhs in Fiscal 2016. The increase in operating revenue was mainly due to higher sales of fruits and vegetables.

##### **Other Income**

Our other income constituted 0.12% of our total income for Fiscal 2015. It decreased to 0.06% in Fiscal 2016 mainly due to decrease in other miscellaneous incomes.

#### ***Expenditure***

##### **Cost of Goods Sold**

Our cost of goods sold was 67.62% of our total income in Fiscal 2015. It decreased by 2.61% to ₹1,292.04 lakhs in Fiscal 2016 from ₹1,326.63 lakhs in Fiscal 2015 mainly due to decrease in purchase of fruits and vegetables.

### **Employee Benefits Expenses**

Our employee benefits expenses were 21.75% of our total income in Fiscal 2015. It increased by 3.02% to ₹439.59 lakhs in Fiscal 2016 from ₹426.71 lakhs in Fiscal 2015.

### **Finance Cost**

Our finance cost was 1.51% of our total income in Fiscal 2015. Such expense increased by 5.98% to ₹31.40 lakhs in Fiscal 2016 from ₹ 29.62 lakhs in Fiscal 2015 due to rise in increase in the amount of bank loans.

**Depreciation and amortization expenses**

Our depreciation and amortization expense increased by 6.88% from ₹29.74 lakhs in Fiscal 2015 to ₹31.79 lakhs in Fiscal 2016.

**Other Expenses**

Our other expenses increased by 97.44% to ₹ 270.50 lakhs in Fiscal 2016 from ₹137.00 lakhs in Fiscal 2015.

**Profit before tax**

Principally due to reasons described above, our profit before tax increased by 223.19% from ₹12.17 lakhs in Fiscal year 2015 to ₹39.34 lakhs in Fiscal 2016.

**Net Profit after tax as Restated**

Our net profit after tax increased by 225.62% from ₹ 8.32 lakhs in Fiscal 2015 to ₹27.10 lakhs in Fiscal 2016.

***Comparison of Fiscal 2015 with Fiscal 2014*****Incomes****Income from operations**

Our income from operations increased by 12.21% from ₹ 1746.21 lakhs in Fiscal 2014 to ₹1959.48 lakhs in Fiscal 2015. The increase in operating revenue was mainly due to higher sales of fruits and vegetables.

**Other Income**

Our other income constituted 0.08% of our total income for Fiscal 2014. It increased to 0.12% in Fiscal 2015 mainly due to increase in other miscellaneous incomes.

***Expenditure*****Cost of Goods Sold**

Our cost of goods sold was 67.62% of our total income in Fiscal 2015. It increased by 17.31% to ₹ 1326.63 lakhs in Fiscal 2015 from ₹ 1130.89 lakhs in Fiscal 2014 mainly due to increased sales of fruits and vegetables.

**Employee Benefits Expenses**

Our employee benefits expenses were 21.75% of our total income in Fiscal 2015. It decreased by 0.86% to ₹ 426.71 lakhs in Fiscal 2015 from ₹ 430.39 lakhs in Fiscal 2014.

**Finance Cost**

Our finance cost was 1.51% of our total income in Fiscal 2015. Such expense increased by 29.34% to ₹ 29.62 lakhs in Fiscal 2015 from ₹ 22.90 lakhs in Fiscal 2014 due to rise in increase in the amount of bank loans.

**Depreciation and amortization expenses**

Our depreciation and amortization expense increased by 19.97% from ₹ 24.79 lakhs in Fiscal 2014 to ₹ 29.74 lakhs in Fiscal 2015.

**Other Expenses**

Our other expenses increased by 10.18% to ₹ 137.00 lakhs in Fiscal 2015 from ₹ 124.34 lakhs in Fiscal 2014.

**Profit before tax**

Principally due to reasons described above, our profit before tax decreased by 15.13% from ₹ 14.34 lakhs in Fiscal year 2014 to ₹ 12.17 lakhs in Fiscal 2015.

**Net Profit after tax as Restated**

Our net profit after tax decreased by 15.70% from ₹ 9.87 lakhs in Fiscal 2014 to ₹ 8.32 lakhs in Fiscal 2015.

***Comparison of Fiscal 2014 with Fiscal 2013*****Incomes****Income from operations**

Our income from operations increased by 63.40% from ₹ 1068.66 lakhs in Fiscal 2013 to ₹ 1746.21 lakhs in Fiscal 2014. The increase in operating revenue was mainly due to higher sales of fruits and vegetables and services incomes.

**Other Income**

Our other income constituted 0.02% of our total income for Fiscal 2013. It increased to 0.08% in Fiscal 2015 mainly due to increase in other miscellaneous incomes.

***Expenditure*****Cost of Goods Sold**

Our cost of goods sold was 64.71% of our total income in Fiscal 2014. It increased by 101.88% to ₹ 1130.89 lakhs in Fiscal 2014 from ₹ 560.17 lakhs in Fiscal 2013 mainly due to increased sales of fruits and vegetables.

**Employee Benefits Expenses**

Our employee benefits expenses were 24.63% of our total income in Fiscal 2014. It increased by 26.68% to ₹ 430.39 lakhs in Fiscal 2014 from ₹ 339.75 lakhs in Fiscal 2013, mainly due to increase in the business operations.

**Finance Cost**

Our finance cost was 1.31% of our total income in Fiscal 2014. Such expense increased by 17.80% to ₹ 22.90 lakhs in Fiscal 2014 from ₹ 19.44 lakhs in Fiscal 2013 mainly due to rise in increase rates.

**Depreciation and amortization expenses**

Our depreciation and amortization expense increased by 55.33% from ₹ 15.96 lakhs in Fiscal 2013 to ₹ 24.79 lakhs in Fiscal 2014.

**Other Expenses**

Our other expenses increased by 19.89% to ₹ 124.34 lakhs in Fiscal 2014 from ₹ 103.71 lakhs in Fiscal 2013.

**Profit before tax**

Principally due to reasons described above, our profit before tax decreased substantially by 52.06% from ₹ 29.91 lakhs in Fiscal year 2013 to ₹ 14.34 lakhs in Fiscal 2014.

**Net Profit after tax as Restated**

Our net profit after tax increased by 74.38% from ₹ 5.66 lakhs in Fiscal 2013 to ₹ 9.87 lakhs in Fiscal 2014.

## Comparison of Fiscal 2013 with Fiscal 2012

### Incomes

#### Income from operations

Our income from operations increased by 43.00% from ₹ 747.34 lakhs in Fiscal 2012 to ₹ 1068.66 lakhs in Fiscal 2013. The increase in operating revenue was mainly due to higher sales of fruits and vegetables.

#### Other Income

Our other income was nil for the Fiscal 2012. It increased to ₹ 0.25 lakhs in Fiscal 2013 mainly due to interest on term deposits and other miscellaneous incomes.

### Expenditure

#### Cost of Goods Sold

Our cost of goods sold was 52.41% of our total income in Fiscal 2013. It increased by 57.10% to ₹ 560.17 lakhs in Fiscal 2013 from ₹ 356.58 lakhs in Fiscal 2012 mainly due to increased sales of fruits and vegetables and services.

#### Employee Benefits Expenses

Our employee benefits expenses were 31.78% of our total income in Fiscal 2013. It increased by 24.78% to ₹ 339.74 lakhs in Fiscal 2013 from ₹ 272.27 lakhs in Fiscal 2012, mainly due to increase in the business operations.

#### Finance Cost

Our finance cost was 1.82% of our total income in Fiscal 2013. Such expense increased by 249.01% to ₹ 19.44 lakhs in Fiscal 2013 from ₹ 5.57 lakhs in Fiscal 2012 mainly due to rise in bank loans.

#### Depreciation and amortization expenses

Our depreciation and amortization expense increased substantially by 603.08% from ₹ 2.27 lakhs in Fiscal 2012 to ₹ 15.96 lakhs in Fiscal 2013 due to purchase of fixed assets.

#### Other Expenses

Our other expenses increased by 12.41% to ₹ 103.71 lakhs in Fiscal 2013 from ₹ 92.26 lakhs in Fiscal 2012.

#### Profit before tax

Principally due to reasons described above, our profit before tax increased substantially by 62.64% from ₹ 18.39 lakhs in Fiscal year 2012 to ₹ 29.91 lakhs in Fiscal 2013.

#### Net Profit after tax as Restated

Our net profit after tax decreased by 55.47% from ₹ 12.71 lakhs in Fiscal 2012 to ₹ 5.66 lakhs in Fiscal 2013.

### Cash Flows

(₹ in lakhs)

Particulars	Period ended September 30, 2016	Year ended March 31,			
		2016	2015	2014	2013
Net Cash from Operating Activities	(30.31)	(66.68)	(35.93)	40.09	105.34
Net Cash from Investing Activities	(6.37)	(5.16)	(4.76)	(2.47)	(158.87)
Net Cash used in Financing Activities	39.70	64.95	46.90	(28.84)	103.98
Net Increase / (Decrease) in Cash and Cash equivalents	3.02	(6.89)	6.22	8.78	50.45

### ***Cash Flows from Operating Activities***

Net cash from operating activities in the period ended September 30, 2016 was negative ₹ 30.31 lakhs as compared to the PBT of ₹ 35.47 lakhs for the same period. This difference is primarily on account of changes in changes in inventories, trade receivables, short term loans and advances, other noncurrent assets, trade payables and current liabilities.

Net cash from operating activities in fiscal 2016 was negative ₹ 66.68 lakhs as compared to the PBT of ₹ 39.34 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other noncurrent assets, trade payables and current liabilities.

Net cash from operating activities in fiscal 2015 was negative ₹ 35.93 lakhs as compared to the PBT of ₹ 12.17 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other noncurrent assets, trade payables and current liabilities.

Net cash from operating activities in fiscal 2014 was ₹ 40.09 lakhs as compared to the PBT of ₹ 14.34 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other noncurrent assets, trade payables and current liabilities.

### ***Cash Flows from Investment Activities***

In period ended September 30, 2016, the net cash invested in Investing Activities was negative ₹ 6.37 lakhs. This was on account of purchase of fixed assets.

In fiscal 2016, the net cash invested in Investing Activities was negative ₹ 5.16 lakhs. This was on account of purchase and sale of fixed assets and interest income.

In fiscal 2015, the net cash invested in Investing Activities was negative ₹ 4.76 lakhs. This was on account of purchase and sale of fixed assets and interest income.

In fiscal 2014, the net cash invested in Investing Activities was negative ₹ 2.47 lakhs. This was on account of purchase of fixed assets.

### ***Cash Flows from Financing Activities***

Net cash from financing activities in period ended September 30, 2016 was ₹ 39.70 lakhs. This was on account of decrease in long term borrowings, increase in short term borrowings and interest and financial charges.

Net cash from financing activities in fiscal 2016 was ₹ 64.95 lakhs. This was on account of decrease in long term borrowings, increase in short term borrowings and interest and financial charges.

Net cash from financing activities in fiscal 2015 was ₹ 46.90 lakhs. This was on account of decrease in long term borrowings, increase in short term borrowings and interest and financial charges.

Net cash from financing activities in fiscal 2014 was negative ₹ 28.84 lakhs. This was on account of decrease in long term borrowings, decrease in short term borrowings and interest and financial charges.

### ***Other Matters***

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

Except as described in the Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

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

Other than as described in the chapters titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, beginning on page nos. 10 and 165 respectively of this



Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on pages 10 and 165 respectively of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

**4. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” on page no. 10 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

**6. Total turnover of each major industry segment in which the issuer company operates.**

Our Company is engaged in the business of providing services; namely, warehousing solutions, cold storage and ripening solutions, manpower solutions and packaging solutions. We are also engaged in trading of perishable food items, mainly fruits and vegetables in the domestic as well as export markets.. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 76 of this Prospectus.

**7. Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Business Overview*” beginning on page no. 88 of this Prospectus.

**8. The extent to which the business is seasonal.**

Our trading business is seasonal in nature as every food items need a certain season and / or weather conditions to grow and the same are consumed in certain other seasons also. Also, our cold storage and ripening business is seasonal due the above mentioned reasons. Due to perishable nature of the products we deal in, seasonality and weather conditions do affect our few businesses.

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

There is no dependence on a single or few suppliers or customers.

**10. Competitive Conditions**

Demand and supply rule is purely applicable to dealings in perishable items. We face substantial competition for our products from other traders / dealers in domestic market. With regards to our service business like providing warehousing, carrying and forwarding agency, packaging, manpower solutions; we mainly compete with other domestic players within and out of Gujarat. Despite the fact that we are not majorly affected by competition in the short-term, our results of operations could be affected by competition in our industry in India in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established industry players. This we believe may impact our financial condition and operations.

## SECTION VII- LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, 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, our Directors, our Promoters and our Group Entities that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.*

*Further, as except disclosed in this section, our Board of Directors do not consider any other outstanding litigation or past penalties involving our Company, Subsidiaries, Promoter, Group Companies and Directors as material as on the date of this Prospectus. Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding ₹ 40.00 lakhs as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on March 25, 2016*

*All terms defined in a particular litigation are for that particular litigation only.*

### CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amount (₹ in lakhs)
Nil	Nil
<b>Total</b>	<b>Nil</b>

### LITIGATION INVOLVING OUR COMPANY

#### A. LITIGATION AGAINST OUR COMPANY

##### 1. Litigations involving Criminal matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

##### 3. Litigation involving Tax Liabilities

##### (i) Direct Tax Liabilities

*Direct tax Proceedings (consolidated)*

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>

##### (ii) Indirect Taxes Liabilities

*Indirect tax Proceedings (consolidated)*

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>

#### **4. Other Pending Litigations**

- a) Mr. Arvindbhai B. Shrimali and 35 others have filed an Application through Sahakar Kamgar Union being payment of wages Application No.651 of 2015 before the Payment of Wages Authority at Ahmedabad. The said workmen have claimed that the Company has not paid wages to the workmen for the period when they were not employed as also certain amount of bonus. The said workmen have also filed an Application for attachment of cold storage machines and computers in case the Company disposes of the same during the pendency of the Application. The Company has filed a reply to the said Applications refuting the claims made by the said workmen. The matter is currently pending
- b) Reference No.125 of 2016 has been filed before the Presiding Officer, Labour Court at Ahmedabad by Mr. Anil Parmar. The said Anil Parmar has claimed that the Company has wrongfully terminated his service and accordingly the said termination by the Company is illegal and he should be reinstated with backwages. The Company has filed its reply stating that the workman himself has not reported on work inspite of repeated reminders and the Company does not have any objection for taking the workman back. The matter is pending hearing. The next date for the same is March 22, 2017.
- c) Reference No.126 of 2016 has been filed before the Presiding Officer, Labour Court at Ahmedabad by Mr. Arvind B. Shrimali. The said Mr. Arvind B. Shrimali has claimed that the Company has wrongfully terminated his service and accordingly the said termination by the Company is illegal and he should be reinstated with backwages. The Company has filed its reply stating that the workman himself has not reported on work inspite of repeated reminders and the Company does not have any objection for taking the workman back. The matter is pending hearing. The next date for the same is March 22, 2017.
- d) Reference No.127 of 2016 has been filed before the Presiding Officer, Labour Court at Ahmedabad by Mr. Hitesh R. Solanki. The said Hitesh R. Solanki has claimed that the Company has wrongfully terminated his service and accordingly the said termination by the Company is illegal and he should be reinstated with backwages. The Company has filed its reply stating that the workman himself has not reported on work inspite of repeated reminders and the Company does not have any objection for taking the workman back. The matter is pending hearing. The next date for the same is March 22, 2017.
- e) Reference No.128 of 2016 has been filed before the Presiding Officer, Labour Court at Ahmedabad by Mr. Surendrasing Bais. The said Surendrasing Bais has claimed that the Company has wrongfully terminated his service and accordingly the said termination by the Company is illegal and he should be reinstated with back wages. The Company has filed its reply stating that the workman himself has not reported on work inspite of repeated reminders and the Company does not have any objection for taking the workman back. The matter is pending hearing. The next date for the same is March 22, 2017.
- f) Reference No.775 of 2016 has been filed before the Presiding Officer, Labour Court at Ahmedabad by Mr. Sandeep Chauhan. The said Sandeep Chauhan has claimed that the Company has wrongfully terminated his service and accordingly the said termination by the Company is illegal and he should be reinstated with backwages. The Company has filed its reply stating that the workman himself has not reported on work inspite of repeated reminders and the Company does not have any objection for taking the workman back. The matter is pending hearing. The next date for the same is May 4, 2017.
- g) Mr. Sandeep Chauhan as a member of Sahakar Kamgar Union has filed an application being payment of wages Application No. 404 of 2016 before the Payment of Wages Authority at Ahmedabad. The said workman has claimed that the company has terminated his services without paying wages and overtime charges to him as also certain amount of bonus. The total claimed amount is ₹ 89,000. The Company is in the process of filing a reply to the said Application. The matter is currently pending.

#### **B. CASES FILED BY OUR COMPANY**

##### **1. Litigation Involving Criminal matters**

NIL

##### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### 3. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

#### (ii) Indirect Taxes Liabilities

##### *Indirect tax Proceedings (consolidated)*

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

### 5. Other Pending Litigations

NIL

### LITIGATION INVOLVING OUR DIRECTORS

#### A. LITIGATION AGAINST OUR DIRECTORS

##### 1. Litigation Involving Criminal Matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

### 4. Other Pending Litigations

NIL

#### B. LITIGATION FILED BY OUR DIRECTORS

##### 1. Litigation Involving Criminal matters

NIL

## 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

## 3. Litigation involving Tax Liabilities

### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

## 4. Other Pending Litigations

NIL

## LITIGATION INVOLVING OUR PROMOTERS

### A. LITIGATION AGAINST OUR PROMOTERS

#### 1. Litigation Involving Criminal matters

NIL

#### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

#### 3. Litigation involving Tax Liabilities

##### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

##### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

#### 4. Other Pending Litigations

NIL

### B. LITIGATION FILED BY OUR PROMOTERS

#### 1. Litigation Involving Criminal matters

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>NIL</b>

**(ii) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>NIL</b>

**4. Other Pending Litigations**

NIL

**LITIGATION INVOLVING OUR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1. Litigation involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>NIL</b>

**(ii) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>NIL</b>

**4. Other Pending Litigations**

NIL

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

**1. Criminal matters**

NIL

## 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

## 3. Litigation involving Tax Liabilities

### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹ lakhs)
1.	NIL	NIL	NIL
Total		NIL	NIL

## 4. Other Pending Litigations

NIL

**Litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.**

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

**Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences.

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

**Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

**Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Prospectus for the Company for default or outstanding defaults.

**Non-Payment of Statutory Dues**

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company. For details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess, which have not been deposited as on September 30, 2016 on account of disputes, see “*Summary Financial Information*” beginning on page no. 34 and “*Outstanding Litigation and Material Developments – Litigations involving our Company*” on page no. 178 of this Prospectus.

**Amounts owed to small scale undertakings and other creditors**

The Board of Directors of our Company considers dues exceeding ₹ 40.00 lakhs to small scale undertakings and other creditors as material dues for our Company. Our Company does not owe any creditor any amounts exceeding ₹ 40.00 lakhs as of the date of this Prospectus.



Our Company owes amounts aggregating to ₹ 40 Lakhs or more to its other creditors. 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.primecustomer.co.in](http://www.primecustomer.co.in)

*Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.*

**Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

## GOVERNMENT AND OTHER KEY 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 the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.*

### Approvals for the Issue

1. The Board of Directors have, pursuant to Section 62(1)(C) of the Companies Act 2013, by a resolution passed at the meeting held on March 06, 2016 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(C) of the Companies Act, 2013, by a special resolution passed in the extra ordinary general meeting held on March 30, 2016.
3. Approval Letter dated August 08, 2016 from the BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number ("ISIN") is INE442V01012.

### Approvals pertaining to Incorporation, name and constitution of our Company

1. Certificate of Incorporation dated March 13, 2007 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli ("RoC") in the name of "Prime Customer Services Private Limited".
2. A fresh Certificate of Incorporation consequent upon change of name from "Prime Customer Services Private Limited" to "Prime Customer Services Limited" was issued on March 25, 2008 by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli.
3. The Corporate Identity Number (CIN) of the Company is U51109GJ2007PLC050404.

### I. TAX RELATED APPROVALS

Sr. No	Description	Authority	Registration Number	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAECP2124P	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	AHMP05493F	Valid until cancelled
3.	Certificate of Registration issued under Service Tax Code Registration (Form ST-2)	Central Board of Excise and Customs, Central Excise Officer	AAECP2124PST001	Till the business is discontinued
4.	Certificate of Registration issued under Central Sales Tax (Registration and Turnover) Rules, 1957	Assistant Commissioner Of Commercial Tax, Unit – 9, Ahmadabad	24573804197	Valid until cancelled
5.	Certificate of Registration issued under Gujarat Value Added Tax Act, 2003	Assistant Commissioner Of Commercial Tax, Unit – 9. Ahmadabad	24073804197	Valid until cancelled

Sr. No	Description	Authority	Registration Number	Date of Expiry
6.	Registration under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976.	Ahmadabad Municipal Corporation	PRC016500098	Valid until cancelled
7.	Enrollment under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976, in respect of the Company's premises located at 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmedabad, Gujarat – 380 022	Ahmadabad Municipal Corporation	PEC011430139	Valid until cancelled
8.	Enrollment under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976, in respect of the Company's premises located at 102, Sanskar Complex – 2, Polytechnic Road, Ambawadi, Ahmedabad.	Ahmedabad Municipal Corporation	PE/C015110979	Valid until cancelled

## II. BUSINESSRELATED APPROVALS

The Company has obtained the following approvals for the purposes of conducting its business activities:

Sr. No.	Description	Authority	Registration Number	Date of Expiry
1.	Certificate of Registration under Gujarat Shops and Establishment Act, 1948 in respect of the Company's premises located at 102, Sanskar Complex – 2, Polytechnic Road, Ambawadi, Ahmedabad	Deputy, Municipal Commissioner, Ahmadabad Municipal Corporation	PII/EL/01/0004719 (ELLISBRIDGE)	December 31, 2018
2.	Certificate of Registration under Bombay Shops and Establishment Act, 1948 in respect of the Company's premises located at 448, Central Facility Bldg. No.1, A.P.M.C., Masala Market, Sector 19, Vashi, Navi Mumbai.	Inspector, Navi Mumbai	CE-1684	January 25, 2020
3.	License (renewal) under Food and Safety Standards Act, 2006 and Food Safety & Standards (License and Registration of Food Businesses Regulation, 2011	Central Licensing Authority, Food Safety & Standards Authority of India.	10013021000815	September 9, 2020
4.	License to work a factory under the Factories Act, 1948	Director, Industrial Safety & Health, Gujarat State.	005938	December 31, 2017


Sr. No.	Description	Authority	Registration Number	Date of Expiry
5.	Certificate of Membership with the Ahmadabad Wholesale Fruit Merchants Association.	The Ahmadabad Wholesale Fruit Merchants Association.	175 (N.S.)	Valid until cancelled
6.	Registration-Cum-Membership Certificate with the Agricultural and Processed Food Products Export Development Authority.	Agricultural and Processed Food Products Export Development Authority.	173779	July 22, 2019
7.	Entrepreneur's Memorandum For Setting Up Micro, Small or Medium Enterprise Acknowledgement Part - II	District Industries Center, Ahmadabad.	E.M. No. 24-007-21-05235	Till the business is discontinued
8.	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Ministry of Commerce And Industry.	IEC: 0814002218	Valid until cancelled

### III. LABOUR RELATED APPROVALS:

SR	Description	Authority	Registration Number	Date of Expiry
1.	Registration under Employees Provident Funds & Miscellaneous Provisions Act, 1952 issued on December 12, 2008	Regional Provident Fund Commissioner, Employees' Provident Fund Organization, Ahmadabad	GJ/AHD/54694	Valid until cancelled
2.	License issued under Contract Labour (Regulation and Abolition) (Gujarat) Rules, 1972	State Advisory Contract Labour Board	AMD/1277-4/2011	December 18, 2017
3.	License issued under Contract Labour (Regulation and Abolition) (Gujarat) Rules, 1972	Licensing Officer, Contract Labour (Regulation and Abolition) Act, 1970, Ahmadabad	AHD/2011/CLL/1076	March 31, 2017
4.	Registration under Employees' State Insurance Act, 1948	Asst. Director, Employees' State Insurance Corporation, Ahmadabad	37/27794/102	Valid until cancelled
5.	License issued under Contract Labour (Regulation and Abolition) Act, 1970	Assistant Labour Commissioner and Licensing Officer, Ahmedabad	AHD/2016/CLL/2310	August 31, 2017
6.	License issued under Contract Labour (Regulation and Abolition) Act, 1970	Assistant Labour Commissioner and Licensing Officer, Ahmedabad	AHD/2016/CLL/2311	August 31, 2017
7.	License issued under Contract Labour (Regulation and Abolition) Act, 1970	Assistant Labour Commissioner and Licensing Officer, Ahmedabad	AHD/2016/CLL/2312	August 31, 2017

#### IV. APPROVALS RELATING TO INTELLECTUAL PROPERTY





##### TRADEMARKS

Sr. No.	Particulars of the mark	Word/Label mark	Applicant	Trademark/ Application Number	Issuing Authority	Certificate Detail	Class	Period of validity
1.		Device	Mr. Hardik Ghelani <sup>(1)</sup>	1679690	Trade Marks Registry, Ahmedabad	Certificate bearing No. 867415 dated March 30, 2010	42	Valid upto 10 years from April 24, 2008

<sup>(1)</sup> Vide letter dated April 01, 2010, Mr. Hardik Ghelani has accorded permission to the Company for making use of the said trademark. For further details, please refer to risk factor no. 03 appearing on page no. 10 of the section titled "Risk Factors" of this Prospectus.

#### V. Pending Approvals

##### TRADEMARKS

Sr. No.	Particulars of the mark	Word/Label mark	Applicant	Trademark/ Application Number	Issuing Authority	Class	Status
1.		Device	Prime Customer Services Limited	Application bearing no. 1683307 dated May 05, 2008	Trade Marks Registry, Ahmedabad	42	Pending registration
2.		Device	Prime Customer Services Limited	Application bearing No. 2671524 dated February 3, 2014	Trade Marks Registry, Ahmedabad	29	Pending registration
3.		Device	Prime Customer Services Limited	Application bearing No.2671525 dated February 3, 2014	Trade Marks Registry, Ahmedabad	30	Pending registration
4.		Device	Prime Customer Services Limited	Application bearing No.2671526 dated February 3, 2014	Trade Marks Registry, Ahmedabad	31	Pending registration

The Company is in the process of applying for renewal/registration of the following approvals:

- Application for obtaining License and Registration under rule 27 of the Legal Metrology (Packaged Commodities) Rules, 2011.
- Application for renewal of the Certificate of Registration under Gujarat Shops and Establishment Act, 1948, in respect of the Company's premises located at 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmedabad, Gujarat – 380 022

## SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated March 06, 2016 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held on March 30, 2016, in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated March 02, 2016, The No. of Equity Shares offered by each Selling Shareholders are as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hiren Ghelani	5,15,000
2	Mr. Jinen Ghelani	1,80,000
3	NH Time Investments Research Pvt. Ltd.	34,000
4	Mr. C. C. Ghelani	25,000
5	Mr. Hardik Ghelani	10,000
	<b>Total</b>	<b>7,64,000</b>

The Selling Shareholders have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale

The Company has obtained approval letter from BSE vide letter dated August 08, 2016 to use the name of BSE in this Offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

### Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, the Selling Shareholders, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Company, our Promoters, relatives of Promoters (as defined under Companies Act, 2013), our Directors, our Group Companies, nor the Selling Shareholders have been identified as wilful defaulters by the RBI or other authorities. Each of the Selling Shareholder severally confirms that they have not been a Willful Defaulter.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Association with Securities Market

None of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “Risk Factors”, “Our Promoters, Promoter Group and Group Companies” and “Outstanding Litigations and Material Developments” beginning on page nos. 10, 132 and 178 respectively, of this Prospectus.

### Eligibility for the Issue

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post Issue face value capital does not exceed ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see “General Information- Underwriting” on page no. 43 of this Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue 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.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of Market Making, please see “General Information- Details of the Market Making Arrangements for this Issue” on page no. 45 of this Prospectus.
- e) Our Company has Net Tangible assets of at least ₹ 3 crores as per the latest audited financial results
- f) The Net worth (excluding revaluation reserves) of our Company is at least ₹ 3 crores as per the latest audited financial results
- g) Our Company has track record of distributable profits in terms of sec. 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has been a period of at least 12 months.
- h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the period ended September 30, 2016 and for the year ended as at March 31, 2016, 2015 and 2014 is as set forth below:

(₹ in lakhs)

Particulars	Sept 30, 2016	Fiscal 2016	Fiscal 2015	Fiscal 2014
Distributable Profit <sup>(1)</sup>	25.49	27.10	8.32	9.87
Net tangible Assets <sup>(2)</sup>	437.89	423.79	310.74	269.18
Net Worth <sup>(3)</sup>	396.19	370.69	246.81	194.00

<sup>(1)</sup> Distributable profits have been computed in terms section 123 of the Companies Act, 2013.

<sup>(2)</sup> Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

<sup>(3)</sup> Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

- i) As on the date of this Prospectus, our Company has a paid up capital of ₹ 304.30 lakhs (₹ 3.04 crores), which is in excess of ₹ 3 crore, and the Post Issue Capital will be of ₹ 349.30 lakhs (₹ 3.49 crores).
- j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- k) There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.



- l) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
- m) Our company shall mandatorily facilitate trading in demat securities and shall enter into an agreement with both the depositories.
- n) We have a website: [www.primecustomer.co.in](http://www.primecustomer.co.in)
- o) We are not a Stock / Commodity Broking Company since incorporation.
- p) We are not a Finance Company since incorporation.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue

#### **Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO 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, ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 08, 2017 WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

- B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
  - 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
  - 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**
  - 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE 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 AUDITOR'S 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 OFFER. – 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. - COMPLIED WITH. TO THE EXTENT APPLICABLE**
  - 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 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF 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 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. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – **NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE 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 OF 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 PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE “ANNEXURE A” FOR FURTHER DETAILS).
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – **COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY M/S. O. P. BHANDARI & CO., CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 112633W) PURSUANT TO THEIR REPORT DATED FEBRUARY 14, 2017.**

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE ANY PERSON WHO HAS AUTHORISED THIS PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

**THE FILING OF THE PROSPECTUS DOES NOT ABSOLVE THE SELLING SHAREHOLDERS FROM ANY LIABILITY TO THE EXTENT OF THE STATEMENTS MADE BY IT IN RESPECT OF THE EQUITY SHARES OFFERED BY IT UNDER THE OFFER FOR SALE, UNDER SECTION 34 AND 36 OF THE COMPANIES ACT, 2013.**

**Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 26, 28 and 30 of the Companies Act, 2013.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS 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 OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- 3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE**
- 4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.**
- 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 PROSPECTUS.**
- 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.**

**Disclaimer from our Company, the Selling Shareholders and the Lead Manager**

Our Company, the Directors, the Selling Shareholders and the Lead Manager accept no responsibility for statements made otherwise than those contained in this 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.

**CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager, our Company and the Selling Shareholders dated May 26, 2016, the Underwriting Agreement dated May 26, 2016 and addendum dated August 19, 2016 entered into among the Underwriter and our Company, the Selling Shareholders and the Market Making Agreement dated May 26, 2016 and addendum dated August 19, 2016, entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriter 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 issue, 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 Selling Shareholders, the Underwriter and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person into whose possession the 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 the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date

**Disclaimer Clause of the SME Platform of BSE**

“BSE Limited ("BSE") has given vide its letter dated August 08, 2016, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever”.



## Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## Filing

The Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Western Regional Office, Unit No: 002, Ground Floor, Sakar I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmadabad - 380 009.

A copy of the Prospectus, along with the documents required to be filed under Section 26 & 28 of the Companies Act, 2013 will be delivered to the RoC situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmadabad – 380013.

## Listing

Application have been made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its SME Platform after the allotment in the Issue. BSE is 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 BSE, our Company and the Selling Shareholders shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated August 08, 2016 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

## Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1	Tanvi Foods (India) Ltd.	6.60	60	02/03/2017	65.00	NA	NA	NA	NA	NA	NA
2	Diksat Transworld Ltd.	18.43	40	18/10/2016	40.75	6.25%	-6.50%	27.50%	-2.72%	NA	NA

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
3	Valiant Organics Ltd.	21.22	220	14/10/2016	264.00	105.75%	-3.09%	78.18%	-1.54%	NA	NA
4	Mitsu Chem Plast Ltd.	9.51	95	09/09/2016	96.00	0.79%	-2.56%	20.53%	-7.30%	NA	NA
5	Bajaj Healthcare Ltd.	30.90	170	10/05/2016	170.00	2.18%	3.84%	23.53%	9.35%	44.76%	5.83%
6	Franklin Leasing And Finance Ltd.	6.34	15	13/04/2016	15.10	1.67%	-0.54%	7.67%	8.51%	6.67%	9.58%
7	Relicab Cable Manufacturing Ltd.	3.22	20	22/03/2016	20.00	2.50%	2.17%	3.75%	6.07%	25.00%	12.90%
8	K.P. Energy Ltd.	6.44	70	25/02/2016	72.00	10.00%	10.28%	28.57%	12.64%	81.71%	21.82%
9	Vaksons Automobiles Ltd.	6.24	26	16/10/2015	26.25	4.23%	-5.89%	1.92%	-8.97%	1.73%	-5.83%
10	AGI Infra Ltd.	14.99	54	27/03/2015	54.40	4.17%	-0.08%	50.00%	1.59%	115.74%	-5.96%

### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	6 <sup>(1)</sup>	93.00	-	-	-	1	-	4	-	-	-	-	1	1
2015-16	3	15.90	-	-	-	-	-	3	-	-	-	-	1	2
2014-15	3	35.06	-	-	1	-	-	2	-	-	1	1	1	-

<sup>(1)</sup> Details indicated in 2016-17 are for the IPOs completed as on date.

### Notes:

- Since the listing date of Tanvi Foods (India) Limited was on March 02, 2017 respectively, information related to closing price and benchmark index as on 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from the listing date is not available.
- Since the listing date of Mitsu Chem Plast Limited, Valiant Organics Limited and Diksat Transworld Limited was September 09, 2016, October 14, 2016 and October 18, 2016 respectively, information related to closing price and benchmark index as on 180<sup>th</sup> calendar day from the listing date is not available.
- The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
- Source: [www.bseindia.com](http://www.bseindia.com) and BSE Sensex as the Benchmark Index.



## Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in)

## Consents

Consents in writing of: (a) the Selling Shareholders, the Directors, the Company Secretary and Compliance Officer, the Chief Financial Officer, the Statutory Auditor and Bankers to the Company; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Banker to the Issue, Share Escrow Agent, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and 28 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

## Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, M/s. O. P. Bhandari & Co., Chartered Accountants to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated February 14, 2017 and the Statement of Tax Benefits dated November 25, 2016, issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## ISSUE RELATED EXPENSES

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSB’s commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below: Same as object of the Issue

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and reimbursements of Market Making fees (1 <sup>st</sup> year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	38.00	62.81%	5.22%
2	Brokerage and selling commission	1.00	1.65%	0.14%
3	Printing & Stationery, Distribution, Postage, etc.	1.50	2.48%	0.21%
4	Advertisement and Marketing Expenses	2.00	3.31%	0.27%
5	Stock Exchange Fees, Regulatory and other Expenses	18.00	29.75%	2.47%
<b>Total</b>		<b>60.50</b>	<b>100.00%</b>	<b>8.31%</b>

- 1) Except for the Listing Fees, ROC Charges & the Market Making Fees, which will be borne by our Company, all other expenses relating to the Issue as mentioned above will be borne by the Company and Selling Shareholders in proportion to the Equity Shares contributed to the Issue. The Issue expenses are estimated expenses and subject to change.
- 2) The SCSBs and other intermediaries will be entitled to a commission of ₹ 50 per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them
- 3) The SCSBs would be entitled to processing fees of ₹ 25 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.
- 4) Further the SCSBs and other intermediaries will be entitled to selling commission of 0.05% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them

- 5) *The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.*

### **Fees, Brokerage and Selling Commission Payable to the Lead Manager**

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated May 26, 2016, the Underwriting Agreement dated May 26, 2016 and addendum dated August 19, 2016 the Market Making Agreement dated May 26, 2016 addendum dated August 19, 2016 among our Company, the Selling Shareholders and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company, and the Registrar to the Issue dated June 03, 2016

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

### **Previous Public and Rights Issues**

We have not made any rights and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 47 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

None of our Group Companies / Associates is listed on any Stock Exchange and hence there is no Capital Issue. Further, we do not have any subsidiary as on date of this Prospectus.

### **Promise v. Performance (Issuer and Listed Group Companies / Subsidiaries / Associates)**

Our Company has not made any rights and public issues in the past. None of our Group Companies / Associates is listed on any Stock Exchange and not made any rights and public issues in the past. Further, we do not have any subsidiary as on date of this Prospectus.

### **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company**

The Company has no outstanding debentures or bonds and redeemable preference shares and other instruments as on the date of Prospectus.

### **Stock Market Data for our Equity Shares**

This being an initial public offer of the Company, the Equity Shares of the Company are not listed on any stock exchange.

## Mechanism for Redressal of Investor Grievances

The Company and the Selling Shareholders has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on May 25, 2016 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Brijesh Kumar Misra	Non Executive Independent Director	Chairman
Mr. Ravi Menon	Non Executive Independent Director	Member
Mr. Mihir Manek	Non Executive Independent Director	Member

For further details, please see the chapter titled "*Our Management*" beginning on page no. 117 of this Prospectus.

The Company has also appointed Ms. Kruti Sheth as the Company Secretary and Compliance Officer for this issue and she may be contacted at the Registered Office of our Company. The contact details are as follows:

**Name:** Ms. Kruti Sheth

**Address:** 41/6, 8/A Haji Pir Kirvani Dargah, Jamalpur Char Rasta, Nr. Marwari Chal, Ahmedabad, Gujarat – 380 022.

**Tel Fax No.:** +91- 79 - 2532 0300

**Email:** [cs@primecustomer.co.in](mailto:cs@primecustomer.co.in)

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

### Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

### Disposal of Investor Grievances by Listed Companies under the same Management as the Company

None of the Group Company or associates of our Company has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances.

### Change in Auditors

Our Company has changed the Statutory Auditors, appointing M/s O. P. Bhandari & Co., Chartered Accountant in place of M/s. S. N. Shah & Associates, Chartered Accountants vide Resolution passed in the EGM dated September 30, 2016.

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### **Capitalisation of Reserves or Profits**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 47 of this Prospectus, our Company has not capitalised our reserves or profits during the last five years.

### **Revaluation of Assets**

We have not revalued our assets in the last 5 years.

## SECTION IX – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Prospectus, this Prospectus, Application Form, the Revision Form, the CAN/ Allotment Advice 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, rules, 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, Registrar of Companies, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable, or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the Registrar of Companies and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November, 10<sup>th</sup> 2015, all the applicants have to compulsorily apply through the ASBA Process.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### Offer for Sale

The Issue comprises of a Fresh Issue and an Offer for Sale by the Selling Shareholders. The fees and expenses relating to the Issue shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses.

### Authority for the Issue

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on March 06, 2016 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra-Ordinary General Meeting held on March 30, 2016 in accordance with the provisions of Section 62 (1)(C) of the Companies Act, 2013.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated March 02, 2016. The No. of Equity Shares offered by each Selling Shareholders is as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hiren Ghelani	5,15,000
2	Mr. Jinen Ghelani	1,80,000
3	NH Time Investments Research Pvt. Ltd.	34,000
4	Mr. C. C. Ghelani	25,000
5	Mr. Hardik Ghelani	10,000
	<b>Total</b>	<b>7,64,000</b>

The Selling Shareholders have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale

### Ranking of Equity Shares

The Equity Shares being issued and transferred pursuant to the issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled *"Main Provisions of Article of Association"* beginning on page no. 258 of this Prospectus.

### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the Memorandum and Articles of Association, 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. In respect of the Offer for Sale, all dividends, if any, declared by our Company after the date of Allotment, will be payable to the Applicants who have been issued and allotted Equity Shares in such Issue for the entire year. For further details, please refer the chapter titled *"Dividend Policy"* and *"Main Provisions of Article of Association"* beginning on page nos. 141 and 258 of this Prospectus.

### **Face Value and Issue Price**

The Equity Shares having a face value of ₹ 10 each are being offered in terms of this Prospectus at the price of ₹ 60 per Equity Share. The Issue Price is decided by our Company and the Selling Shareholders, in consultation with the Lead Manager and is justified under the section titled *"Basis of Issue Price"* beginning on page no 66 of this 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 also 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 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;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled *"Main Provisions of Articles of Association"* beginning on page no 258 of this Prospectus.

### **Minimum Application Value; Market Lot and Trading Lot**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated August 03, 2016 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated August 01, 2016 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be

done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful Applicants.

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 Working days of closure of issue.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicant, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the Applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Withdrawal of the Issue**

Our Company and the Selling Shareholders, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company and the Selling Shareholders withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.



## ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	March 20, 2017
Issue Closing Date	March 23, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about March 28, 2017
Initiation of Allotment / Refunds / Unblocking of Funds	On or about March 29, 2017
Credit of Equity Shares to demat accounts of Allottees	On or about March 30, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	On or about March 31, 2017

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and revision of to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Offer Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted only between **10.00 a.m. and 3.00 p.m. (IST)** and shall be uploaded until (i) **4.00 p.m. (IST)** in case of Application by QIB Applicants and Non-Institutional Applicants, and (ii) until **5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the LM to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Selling Shareholders nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

### Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the Issuer shall forthwith refund the entire

subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 2,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

### **Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled "*Main Provisions of the Article of Association*" beginning on page no 258 of this Prospectus.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **Option to receive Equity Shares in Dematerialized Form**

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form.

Further, as per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

### **Migration to Main Board**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE 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 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares Offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to the Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled "*General Information - Details of the Market Making Arrangement for this Issue*" beginning on page no 45 of this Prospectus.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, 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)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on page nos. 202 and 210 respectively of this Prospectus.

### Issue Structure

*Initial Public Issue of 12,14,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 60 per Equity Share (including a Share premium of ₹ 50 per Equity Share) aggregating to ₹ 728.40 lakhs ("the Issue") by Prime Customer Services Limited ("PCSL" or the "Company" or the "Issuer") consisting of an Fresh Issue of 4,50,000 Equity Shares aggregating to ₹ 270.00 lakhs and Offer For Sale of 7,64,000 Equity Shares by the Selling Shareholders aggregating to ₹ 458.40 lakhs.*

*The issue comprises a reservation of 62,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and a Net Issue to Public of 11,52,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 34.76% and 32.98%, respectively of the post issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process:*

Particulars of the Issue		Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation		11,52,000 Equity Shares	62,000 Equity Shares
Percentage of Issue Size available for allocation		94.89% of the Issue Size	5.11% of the Issue Size
Basis of Allotment		Proportionate subject to minimum allotment of 2,000 Equity Shares and further allotment in multiples of 2,000 Equity Shares each. For further details please refer to the "Basis of Allotment" on page no. 246 of this Prospectus.	Firm Allotment
Minimum Application Size		<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value exceeds ₹ 2.00 lakhs.  <b>For Retail Individuals:</b> 2,000 Equity Shares	62,000 Equity Shares
Maximum Application Size		<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Size does not exceeds 11,52,000 Equity Shares.  <b>For Retail Individuals:</b> 2,000 Equity Shares	62,000 Equity Shares
Application Lot Size		2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter	
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.	
Mode of Allotment		Dematerialized Form	
Trading Lot		2,000 Equity Shares	2,000 Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.

- 1) 50 % of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 2.00 lakhs and the balance for higher amount Applications.
- 2) In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
- 3) Applicants will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
- 4) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

### Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Upto 14	10,000
More than 14 upto 18	8,000
More than 18 upto 25	6,000
More than 25 upto 35	4,000
More than 35 upto 50	3,000
More than 50 upto 70	2,000
More than 70 upto 90	1,600
More than 90 upto 120	1,200
More than 120 upto 150	1,000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## 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 "**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, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company, the Selling Shareholders and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by BSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned BSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

## PART A

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**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 dematerialised form. The Application Forms which do not have the**



details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

## APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Application Form

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

## Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
9. VCFs registered with SEBI;



10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
22. Nominated Investor and Market Maker
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

***As per the existing policy of the Government of India, OCBs cannot participate in this Issue. 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.***

#### **Applications not to be made by**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

#### **Maximum and Minimum Application Size**

##### ***a) For Retail Individual Applicants:***

The Application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000.

**b) For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, 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.

**Information for the Applicants**

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

**Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

**Participation by associates and affiliates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

## Applications by Mutual Funds

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

**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.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

## Applications by Eligible NRIs

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

## Applications by FPI and FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the

sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color).

#### **Applications by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company, the Selling Shareholders or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Application without assigning any reason thereof.

## **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

## **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval).

## **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

## **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, 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 along with the Application Form. Failing this,

our Company and the Selling Shareholders reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, 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.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company, the Selling Shareholders and the Lead Manager may deem fit.

**The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

## General Instructions

### Do's:

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) 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 SCSBs, the



Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;



- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 9) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **Payment instructions**

The entire issue price of ₹ 60 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then 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 received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the 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, Not Retails 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 instruction 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 finalisation 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, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

### **Electronic Registration of Applications**

- 1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
- 3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission 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) In case the applications accepted and uploaded by any Application Collecting 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 Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting 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 Number
  - DP ID & Client ID
  - Numbers of Equity Shares Applied for;
  - Amount;
  - Location of the Banker to the Issue or Designated Branch, as applicable;
  - Bank Account Number and
  - Such other information as may be required.
- 7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 8) 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 or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

- 10) The Application Collecting Intermediaries shall have no right to reject the applications, except on technical grounds.
- 11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean 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 or 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, the Selling Shareholders, our Promoters, 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 Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., 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 the 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.
- 13) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

#### **Allocation of Equity Shares**

- 1) The Issue is being made through the Fixed Price Process wherein 62,000 Equity Shares shall be reserved for the Market Maker. 5,76,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a 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 Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, 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 application at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### **Signing of the Underwriting Agreement and the RoC Filing**

- a) Our Company, the Selling Shareholders, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on May 26, 2016 and addendum dated August 19, 2016.
- b) For terms of the Underwriting Agreement please see chapter titled "*General Information*" beginning on page no 39 of this Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and 28 of the Companies Act.

## Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar 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 SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants 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 Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

## Impersonation

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

**“Any person who:**

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## Undertaking by our Company

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then 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 exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the

prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;

- 7) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 8) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 9) No further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded / unblocked in ASBA Account on account of non-listing, under-subscription etc;
- 10) Adequate arrangements shall be made to collect all Application Forms

#### **UNDERTAKINGS BY THE SELLING SHAREHOLDERS**

Each Selling Shareholder severally undertakes that:

- 1) That the Equity Shares being sold by them pursuant to the Issue are eligible in term of SEBI (ICDR) Regulations and shall be in demat form prior to Issue Opening Date;
- 2) That they shall deposit their Equity Shares offered in the Issue in an escrow account opened with the Registrar to the Issue at least one Working Day prior to the Issue Opening Date;
- 3) That they are the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Issue;
- 4) That the Equity Shares being sold by them pursuant to the Issue are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the time specified under applicable law;
- 5) That they shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the allotment advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Issue;
- 6) That they shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company and the Lead Manager in redressing of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue;
- 7) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Prospectus shall be made available to the Registrar to the Issue by the Selling Shareholders;
- 8) That they shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 6 (six) working days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 9) That they shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 10) That, if the Selling Shareholders do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given by our Company as a public notice 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. It shall extend all reasonable co-operation requested by our Company and the Lead manager in this regard;
- 11) That they shall not further transfer the Equity Shares except in the Issue during the period commencing from submission of the Prospectus with BSE until the final trading approvals from all the Stock Exchange has been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Issue;

- 12) That they shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Issue are available for transfer in the Issue within the time specified under applicable law; and

That they shall comply with all applicable laws, in India including the Companies Act, the SEBI Regulations and the applicable circulars, guidelines and regulations issued by SEBI and BSE, each in relation to the Equity Shares offered by them in the Issue

#### **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 shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

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.

## 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, the SCRA, the SCRR and the SEBI ICDR Regulations. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Bid cum Application Form/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 BRLM(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 see “*Glossary and Abbreviations*”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 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. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

##### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.



For details in relation to the above Applicants may refer to the Prospectus.

## **2.4 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 the 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.

## **2.5 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 Bid cum Application Form and Abridged Prospectus or Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

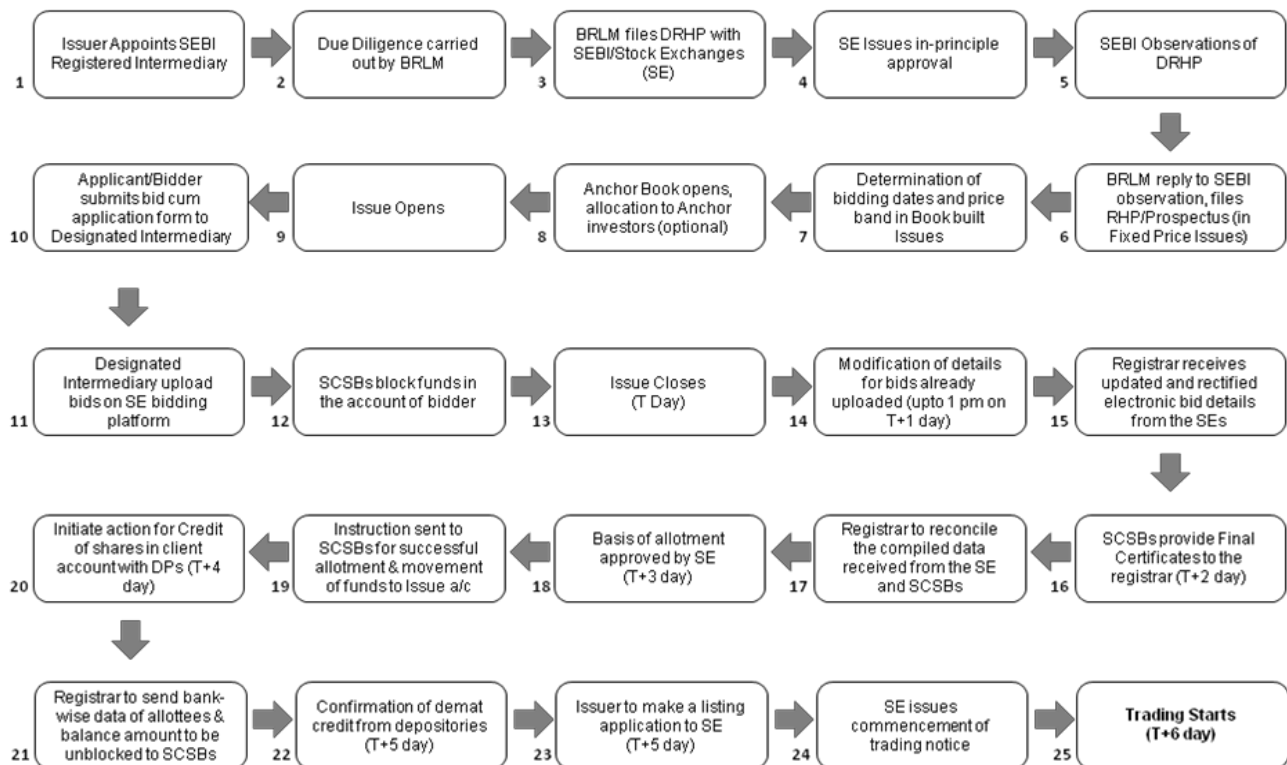
In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- i. Step 7 : Determination of Issue Date and Price
- ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/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);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“**NIIs**”) category;

- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Applicants is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> *excluding electronic Application Form*

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:

<p><b>COMMON BID CUM APPLICATION FORM</b></p>	<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b></p> <p>Address : ..... Contact Details: ..... CIN No .....</p>	<p><b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b></p>																																																															
<p>LOGO</p> <p>TO, THE BOARD OF DIRECTORS XYZ LIMITED</p>	<p><b>BOOK BUILT ISSUE</b></p> <p>ISIN : .....</p>	<p>Bid cum Application Form No. _____</p>																																																															
<p><b>SYNDICATE MEMBER'S STAMP &amp; CODE</b> <b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b></p>																																																																	
<p><b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b> <b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b></p>																																																																	
<p><b>BANK BRANCH SERIAL NO.</b> <b>SCSB SERIAL NO.</b></p>																																																																	
<p><b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b></p> <p>Mr. / Ms. _____</p> <p>Address _____</p> <p>Tel. No (with STD code) / Mobile _____ Email _____</p>																																																																	
<p><b>2. PAN OF SOLE / FIRST BIDDER</b></p> <p>_____</p>																																																																	
<p><b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</p> <p>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</p>																																																																	
<p><b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th colspan="8">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>8</th><th>7</th><th>6</th><th>5</th><th>4</th><th>3</th><th>2</th><th>1</th> <th>Bid Price</th><th>Retail Discount</th><th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>			Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	Option 1												<input type="checkbox"/>	(OR) Option 2												<input type="checkbox"/>	(OR) Option 3												<input type="checkbox"/>
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																																																					
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(OR) Option 3												<input type="checkbox"/>																																																					
<p><b>5. CATEGORY</b></p> <p><input type="checkbox"/> Retail Individual Bidder</p> <p><input type="checkbox"/> Non-Institutional Bidder</p> <p><input type="checkbox"/> QIB</p>																																																																	
<p><b>6. INVESTOR STATUS</b></p> <p><input type="checkbox"/> Individual(s) - IND</p> <p><input type="checkbox"/> Hindu Undivided Family* - HUF</p> <p><input type="checkbox"/> Bodies Corporate - CO</p> <p><input type="checkbox"/> Banks &amp; Financial Institutions - FI</p> <p><input type="checkbox"/> Mutual Funds - MF</p> <p><input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)</p> <p><input type="checkbox"/> National Investment Fund - NIF</p> <p><input type="checkbox"/> Insurance Funds - IF</p> <p><input type="checkbox"/> Insurance Companies - IC</p> <p><input type="checkbox"/> Venture Capital Funds - VCF</p> <p><input type="checkbox"/> Alternative Investment Funds - AIF</p> <p><input type="checkbox"/> Others (Please specify) - OTH</p> <p><small>* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)</small></p>																																																																	
<p><b>7. PAYMENT DETAILS</b> <b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/></p> <p>Amount paid (₹ in figures) _____ (₹ in words) _____</p> <p>ASBA Bank A/c No. _____</p> <p>Bank Name &amp; Branch _____</p>																																																																	
<p>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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</p>																																																																	
<p><b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b></p> <p>_____</p> <p>Date : _____</p>																																																																	
<p><b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b></p> <p>I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue</p> <p>1) _____</p> <p>2) _____</p> <p>3) _____</p>																																																																	
<p><b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b></p> <p>_____</p>																																																																	
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#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST APPLICANT

- a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Bid cum Application Form/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 Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids/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.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### **4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT**

- a) PAN (of the sole/first Applicant) provided in the Bid cum Application Form/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 Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/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 Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/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) Bid cum 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 Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/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: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer, the Selling Shareholders in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the Prospectus or the advertisement regarding the Price Band published by the Issuer.

##### 4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 2,00,000.
- b) In case the Bid Amount exceeds ₹ 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.



- c) For NRIs, a Bid Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the Issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 MULTIPLE BIDS

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - 1) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - 2) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.



c) The following Bids may not be treated as multiple Bids:

- 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.
- 2) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- 3) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS**

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the Prospectus.
- c) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **1.1.6 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, FPIs and FVCIs may not be allowed to Bid/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 Bid cum Application Form and Non-Resident Bid cum 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) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid 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 Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.

- d) Bid Amount cannot be paid in cash, through money order or through postal order.

#### **4.1.7.1 Instructions for Anchor Investors:**

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### **4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)**

- a) Bidders may submit the Bid cum Application Form either
  - 1) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
  - 2) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - 3) in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder 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) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders 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 Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum 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 Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum 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) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum 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 Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid 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 Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, 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 Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

#### **4.1.7.3 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Bid cum Application Form/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) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- d) Applicants must note that Bid cum Application Form/Application Form without signature of Applicant and/or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - 1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity shares, refund orders, the Applicants should contact the Registrar to the Issue.
  - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - 3) In case of queries relating to uploading of Bids by a Syndicate Member, the Applicants should contact the relevant Syndicate Member.
  - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - 5) In case of Bids submitted to the RTA, the Applicants should contact the relevant RTA.
  - 6) In case of Bids submitted to the DP, the Applicants should contact the relevant DP.
  - 7) Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- c) The following details (as applicable) should be quoted while making any queries –
  - 1) full name of the sole or First Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - 2) name and address of the Designated Intermediary, where the Bid was submitted; or
  - 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
- d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Applicant may refer to the Prospectus and the Bid cum Application Form.

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## **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Bid/ Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Close Date.
- 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 Bid/ Issue Period. However, for any revision(s) in the Bid, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Bid. Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

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 .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS</b>
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<div style="border: 1px solid black; padding: 2px; display: inline-block;">BOOK BUILT ISSUE</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">ISIN : .....</div>
		Bid cum Application Form No. <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Address <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Email <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Tel. No (with STD code) / Mobile <div style="border: 1px solid black; width: 100%; height: 15px;"></div>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> <div style="border: 1px solid black; width: 100%; height: 15px;"></div>
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>

PLEASE CHANGE MY BID												
4. FROM (AS PER LAST BID OR REVISION)												
Bid Options:	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓/tick)
Option 1												
(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 (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓/tick)
Option 1												
(OR) Option 2												
(OR) Option 3												

6. PAYMENT DETAILS									
Additional Amount Paid (₹ in figures) <div style="border: 1px solid black; width: 100%; height: 15px;"></div> (₹ in words) .....									
ASBA Bank A/c No. <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Bank Name & Branch <div style="border: 1px solid black; width: 100%; height: 15px;"></div>									
<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 REVISION FORM AND THE ATTACHED ABBREVIATED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.</small>									
<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>			<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b>				<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>		
Date : .....			I/We authorize the SCSB to do all acts as are necessary to make the Application in the name: 1) ..... 2) ..... 3) .....						

LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div> PAN of Sole / First Bidder <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>
DPID / CLID <div style="border: 1px solid black; width: 100%; height: 15px;"></div>		Additional Amount Paid (₹) <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Bank & Branch <div style="border: 1px solid black; width: 100%; height: 15px;"></div>	
ASBA Bank A/c No. <div style="border: 1px solid black; width: 100%; height: 15px;"></div>		Stamp & Signature of SCSB Branch <div style="border: 1px solid black; width: 100%; height: 100px;"></div>	
Received from Mr./Ms. <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Telephone / Mobile <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Email <div style="border: 1px solid black; width: 100%; height: 15px;"></div>			

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1    Option 2    Option 3 No. of Equity Shares <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Bid Price <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Additional Amount Paid (₹) <div style="border: 1px solid black; width: 100%; height: 15px;"></div>	Stamp & Signature of Broker / SCSB / DP / RTA <div style="border: 1px solid black; width: 100%; height: 100px;"></div>	Name of Sole / First Bidder <div style="border: 1px solid black; width: 100%; height: 15px;"></div> <div style="border: 1px solid black; width: 100%; height: 15px;"></div> <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>
ASBA Bank A/c No. <div style="border: 1px solid black; width: 100%; height: 15px;"></div> Bank & Branch <div style="border: 1px solid black; width: 100%; height: 15px;"></div>			

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:



#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

#### **FIELD 4 & 5: 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 all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Applicant has Bid for three options in the Bid cum Application Form and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Applicants in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- a) All Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.



#### 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 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

##### 4.3.1 FIELDS 1, 2, 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.

##### 4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price Band in the Draft Prospectus. However a Prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer, the Selling Shareholders in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Applicant and may be rejected.
  - 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids 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.
- i) The following applications may not be treated as multiple Bids:
  - 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
  - 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

### **4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- 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. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

### **4.3.5 FIELD 7: PAYMENT DETAILS**

- a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

#### **4.3.5.1 Payment instructions for Applicants**

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must 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, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public

Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.2 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, 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.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.3.5.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

##### 4.4.1 Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	<ul style="list-style-type: none"> <li>To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form</li> </ul>
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> <li>To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location</li> <li>To the Designated Branches of the SCSBs where the ASBA Account is maintained</li> </ul>

- a) Applicants should submit the Revision Form to the same Designated Intermediary through which such Applicant had placed the original Bid.
- b) Upon submission of the Bid cum Application Form, the Applicant will be deemed to have authorized the Issuer to make the necessary changes in the Prospectus and the Bid cum Application Form as would be required for filing

Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Applicant.

- c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- a) During the Bid/ Issue Period, Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Applicants are requested to refer to the Prospectus.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **5.3 BUILD UP OF THE BOOK**

- a) Bids received from various Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

### **5.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## 5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### 5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in the Draft Prospectus);
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- q) Multiple Bids/Applications as defined in this GID and the Prospectus;
- r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the Prospectus and the Bid cum Application Forms;
- s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Bids/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 Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Prospectus. For details in relation to allocation, the Applicant may refer to the Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Applicants may refer to the Prospectus.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.



Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer and the Selling Shareholders, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

### SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**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 the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue 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.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

### SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.



## 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (**“Maximum RII Allottees”**). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

## 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

## 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations, 2009 or Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

## 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Investor Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
  - 1) not more than 60% of the QIB Category will be allocated to Anchor Investors;

- 2) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- 3) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum Allotment of ₹ 5 crores per such Anchor Investor; and
  - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of ₹ 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any

other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## **7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

## **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 six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. 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 finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

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 take steps to refund, without interest, all moneys received from Applicants.

If such money is not refunded to the Bidders within the prescribed time 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 such period, be liable to repay the money, with interest at such rate, as disclosed in the Prospectus.

### 8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any Issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### 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 1,000 failing which the entire application monies may be refunded forthwith.

### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## 8.3 MODE OF REFUND

- a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- b) **Direct Credit** - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to Prospectus.

#### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

### SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
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	An Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
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	An application, whether physical or electronic, used by Applicants, other than Anchor Investors, to make a Bid and authorising 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 Bid Amount of the Applicant
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened ,and as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	An indication to make an Issue during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications there to. In case of issues undertaken through the fixed price process,



Term	Description
	all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids 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 Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors(if applicable),the period between the Bid/ Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum 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, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Issue as disclosed in the Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the

Term	Description
	Cut-off Price. No other category of Applicants are entitled to Bid at the Cut-off Price
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 Bid cum Application Forms used by Applicants (exc Anchor Investor) 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>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum 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 Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Applicant may refer to the Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Selling Shareholders, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Bid cum Application Form or Revision Form



Term	Description
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
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
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid 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
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue 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 corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid 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 Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholders
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
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The

Term	Description
	Issue Price may be decided by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the 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 Escrow Account and 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
RTGS	Real Time Gross Settlement
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue /RTO	The Registrar to the Issue as disclosed in the Prospectus and Bid cum 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 such category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs).
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 Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum 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

Term	Description
	<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	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> and updated from time to time
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 Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

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 consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under 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 jurisdictions where such offers and sales occur.**

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

## SECTION X – MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

*These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the Extra-ordinary General Meeting of the Company held on 30<sup>th</sup> March, 2016.*

1. The regulations contained in Table F of the first schedule to the Companies Act, 2013 (hereinafter referred as Table F) shall apply to this Company in so far as are applicable to Public Company and are not amended, modified or substituted by the following Articles.

### INTERPRETATION

2. In the interpretation of these Articles, unless repugnant to the subject or context:-

*a) The company or this company*

“The company or this company” means Prime Customer Services Limited

*b) The Act*

“The Act” means the Companies Act 2013, or any statutory modification or re- enactment thereof for the time being in force.

*c) Auditor*

“Auditor” means and includes those persons appointed as such for the time being by the Company.

*d) Board Meeting*

“Board Meeting” means meeting of the Directors duly and constituted or as the case may be, the Directors assembled at a Board.

*e) Capital*

“Capital” means the share capital for the time being raised or authorized to be raised, for the Company.

*f) Debenture*

“Debenture” includes the Debenture stock.

*g) Directors*

“Directors” mean the Directors for the time being of the Company of as the case may be the Directors assembled at as Board.

*h) Dividend*

“Dividend” includes bonus.

*i) Gender*

Word importing the masculine gender also includes the feminine gender.

*j) In Writing or Written*

“In Writing” or “Written” includes printing, lithography and other modes of representing or reproducing words in a visible form.

*k) Member*

“Member” means the duly registered holder from time to time of the shares of the Company and includes the subscriber to the Memorandum of the Company.

*l) Meeting or Annual General Meeting*

“Annual General Meeting” means a General Meeting of the members duly called and constituted and any adjourned holding thereof in accordance of section 96 of the Act.

*m) Meeting or Extraordinary general meeting*

“Extraordinary General Meeting” means Extraordinary General meeting of the Members duly called and constituted and any adjourned holding thereof.

*n) Month*

“Month” means a calendar month

*o) Office*

“Office” means the registered office for the time being of the Company.

*p) Paid up*

Paid up” includes credited as paid up.

*q) Persons*

“Persons” includes corporation and firms as well as individuals.

*r) Register of members*

“Register of member” means the Register of members to be kept pursuant to the Act.

*s) The Registrar*

“The Registrar” means the Registrar of the Companies of the state in which the office of the Company is for the time being situated.

*t) Officer*

“Officer” includes any director, manager or secretary, or any person in accordance with whose direction or instruction the board of Director or any or more of the directors is accustomed to act

*u) Seal*

“Seal” means the common seal for the time being of the Company.

*v) Share*

“Share” means share in the share capital of a company and includes stock except where a distinction between stock and share is expressed or implied.

*w) Special Resolution*

“Special Resolution” shall have the meaning assigned thereto by section 114 of Companies Act, 2013.

*x) Year and Financial Year.*

“Year” means the calendar year and “financial year” shall have the meaning assigned thereto by section 2(41) of the Act.

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013 with a minimum paid up capital of Rupees Five Lakhs or such higher amount as may be prescribed from time to time.

## SHARE CAPITAL AND VARIATION OF RIGHTS

4. 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.
5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:—
  - (a) one certificate for all his shares without payment of any charges; or

- (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
7. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (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.
8. (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.
- (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.
- (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.
9. (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 106 & 107 of Companies Act, 1956, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (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.
10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.



## LIEN

**12. (i) The company shall have a first and paramount lien—**

- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (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.

**13. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:**

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

**14. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.**

- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**15. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.**

- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

## CALLS ON SHARES

**16. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:**

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

- (iii) A call may be revoked or postponed at the discretion of the Board.

- (iv) Company may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.

**17. 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**

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.  
  
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
20. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  
  
(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
21. The Board—  
  
(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and  
  
(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

#### **TRANSFER OF SHARES**

22. (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.
23. The Board may, subject to the right of appeal conferred by section 58 decline to register—  
  
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or  
  
(b) any transfer of shares on which the company has a lien.
24. The Board may decline to recognise any instrument of transfer unless—  
  
(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;  
  
(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and  
  
(c) the instrument of transfer is in respect of only one class of shares.
25. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, 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.
26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the

instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company.

### **TRANSMISSION OF SHARES**

27. (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.

(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.

28. (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—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

29. (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.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(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.

30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

31. 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.

32. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

33. 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.
34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.  
  
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
35. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.  
  
(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.  
  
(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.  
  
(iii) The transferee shall thereupon be registered as the holder of the share  
  
(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.
37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **ALTERATION OF CAPITAL**

38. 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. Capital will be as per the clause V (a) of Memorandum of Association of the company.
39. Subject to the provisions of section 61, the company may, by ordinary resolution,—
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
40. Where shares are converted into stock,—
  - (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

**41.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

### **CAPITALISATION OF PROFITS**

**42.** (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(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—

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (d) A securities premium account and a capital redemption 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;
- (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**43.** (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(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;

(iii) Any agreement made under such authority shall be effective and binding on such members.

## DEMATERIALISATION OF SECURITIES

### 42. (I) For the purpose of this Article:-

**"Beneficial Owner":** Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

**"Depositories Act":** Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

**"Depository":** Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

**"Member":** Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

**"Security":** Security shall mean such security as may be specified by SEBI.

(ii) **"Dematerialisation of Securities":** Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) **"Option to hold securities in physical form or with depository":** Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) **"Beneficial Owner may opt out of a Depository":** Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) **"Securities in Depositories to be in fungible form":** All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) **"Rights of depository and beneficial owners":** A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) 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 rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) **"Transfer of securities":** Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 108, of the Companies Act, 1956 or

these Articles 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.

**(ix) "Register and Index of beneficial owners":** The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

**(x) "Other matters":** Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

**(xi)** Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

### **NOMINATION**

- 43.** Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

### **BUY-BACK OF SHARES**

- 44.** 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.

### **GENERAL MEETINGS**

- 45.** All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 46.** (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **PROCEEDINGS AT GENERAL MEETINGS**

- 47.** (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
- 48.** The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- 49.** 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.
- 50.** 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.

### **ADJOURNMENT OF MEETING**

- 51.** (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.



(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **VOTING RIGHTS**

52. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

53. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

54. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

55. 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.

56. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

57. 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.

58. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

## **PROXY**

59. 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.

60. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

61. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **BOARD OF DIRECTORS**

62. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
63. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.  
  
(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—  
  
(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or  
  
(b) in connection with the business of the company.
64. The Board may pay all expenses incurred in getting up and registering the company.
65. 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.
66. 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.
67. 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.
68. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.  
  
(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

## **PROCEEDINGS OF THE BOARD**

69. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
70. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
71. 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.
72. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
73. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
74. (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
75. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
76. 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.
77. 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.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

78. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
79. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

80. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

81. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
82. 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.

83. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
84. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
85. 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.
86. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent
87. 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.
88. 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.
89. No dividend shall bear interest against the company.
90. No unclaimed Dividend shall be forfeited, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

## ACCOUNTS

91. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

## WINDING UP

92. 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.

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93. 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.
94. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

95. 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.

## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

#### **A. Material Contracts**

1. Memorandum of Understanding dated May 26, 2016 between our Company, the Selling Shareholder and the Lead Manager.
2. Memorandum of Understanding dated June 03, 2016 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated August 23, 2016 between our Company, the Selling Shareholders, the Lead Manager, Banker to the Issue, and the Registrar to the Issue.
4. Market Making Agreement dated May 26, 2016 and addendum dated August 19, 2016 between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated May 26, 2016 and addendum dated August 19, 2016 between our Company, the Selling Shareholder, the Lead Manager and the Market Maker.
6. Share Escrow Agreement dated August 18, 2016 between the Selling Shareholders, our Company, the Lead Manager and the Escrow Agent.
7. Tripartite agreement between the NSDL, our Company and the Registrar dated August 03, 2016.
8. Tripartite agreement between the CDSL, our Company and the Registrar dated August 01, 2016.

#### **B. Material Documents**

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certification of Incorporation of Prime Customer Services Limited
3. Resolution of the Board of Directors meeting dated March 06, 2016, authorizing the Issue.
4. Shareholders' resolution passed at the Extra-Ordinary General Meeting dated March 30, 2016 authorizing the Issue.
5. Auditor's report for Restated Financials dated February 14, 2017 included in this Prospectus.
6. The Statement of Tax Benefits dated November 25, 2016 from our Statutory Auditors.
7. Consent of our Directors, the Selling Shareholders, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Company, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Banker to the Issue, Share Escrow Agent, Market Maker and Underwriters as referred to in their specific capacities.
8. Due Diligence Certificate(s) dated March 08, 2017 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.

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9. Approval from BSE vide letter dated August 08, 2016 to use the name of BSE in this Issue Document for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this 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, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY:

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**Mr. Jinen Ghelani**  
Chairman and Managing Director

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**Mrs. Neha Ghelani**  
Whole Time Director

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**Mr. Hiren Ghelani**  
Whole Time Director

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**Mr. Sameer Rajguru**  
Whole Time Director

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**Mr. Mihir Manek**  
Non-Executive Independent Director

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**Mr. Ravi Menon**  
Non-Executive Independent Director

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**Mr. Brijesh Kumar Misra**  
Non-Executive Independent Director

### SIGNED BY THE CHIEF FINANCIAL OFFICER

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**Mr. Jinen Ghelani**  
Chief Financial Officer

### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

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**Ms. Kruti Sheth**  
(Company Secretary & Compliance Officer)

Date: March 08, 2017  
Place: Ahmedabad

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## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Prospectus about or in relation to himself and the Equity Shares being offered by him in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Prospectus.

## **SIGNED BY THE SELLING SHAREHOLDER**

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**MR. JINEN GHELANI**

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## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Prospectus about or in relation to himself and the Equity Shares being offered by him in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Prospectus.

## **SIGNED BY THE SELLING SHAREHOLDER**

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**MR. HIREN GHELANI**

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## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Prospectus about or in relation to itself and the Equity Shares being offered by it in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Prospectus.

### **SIGNED BY THE SELLING SHAREHOLDER**

For **NH Time Investments Research Private Limited**

\_\_\_\_\_  
**Director**

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## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Prospectus about or in relation to himself and the Equity Shares being offered by him in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Prospectus.

## **SIGNED BY THE SELLING SHAREHOLDER**

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**MR. C. C. GHELANI**

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## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Prospectus about or in relation to himself and the Equity Shares being offered by him in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Prospectus.

## **SIGNED BY THE SELLING SHAREHOLDER**

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**MR. HARDIK GHELANI**