



## SIRCA PAINTS INDIA LIMITED

(CIN- U24219DL2006PLC145092)

Our Company was originally incorporated at New Delhi as "Sircolor Wood Coatings Private Limited" on 19<sup>th</sup> January, 2006 under the provisions of the Companies Act, 1956. Thereafter, the Name of the Company was changed to "Sirca Paints India Private Limited" vide fresh certificate of incorporation dated 3<sup>rd</sup> May, 2017 issued by the Registrar of Companies, Delhi. Consequently, the name of the Company was changed to "Sirca Paints India Limited" vide fresh certificate of incorporation dated 17<sup>th</sup> January, 2018 issued by the Registrar of Companies, Delhi. For further details of incorporation, change of name and registered office of our Company, please refer to chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on pages 52 and page 157 respectively of this Red Herring Prospectus.

**Registered Office:** 504, NDM-II, Netaji Subhash Place Wazirpur, Pitampura New Delhi DL 110034

**Corporate office:** 50, Badli Industrial Area, Phase -2, Delhi-110042

**Tel:** + 91-11-42083083, 47533213; **Email:** [admin@sircapaints.com](mailto:admin@sircapaints.com); **Website:** [www.sircapaints.com](http://www.sircapaints.com)

**Contact Person:** Mr. Chahat Mahajan, Company Secretary & Compliance Officer

**PROMOTERS OF OUR COMPANY:** MR. SANJAY AGARWAL, MR. APOORV AGARWAL & MR. GURJIT SINGH BAINS

### THE ISSUE

PUBLIC ISSUE OF FRESH ISSUE OF UPTO 48,69,600\* EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID UP FOR CASH AT A PRICE OF RS. [●]\*\* /- PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARES) AGGREGATING TO RS. [●] LACS ("THE ISSUE"), OF WHICH UPTO 2,44,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 46,25,600 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.65% AND 25.32%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER FINANCIAL EXPRESS AND ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER JANSATTA, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID / ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid / Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLMs and the terminals of the Syndicate Members (defined herein below).

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 262 of this Red Herring Prospectus. A copy will be delivered for registration to the Registrar as required under Section 32 of the Companies Act, 2013.

The Issue is being made in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI (ICDR) Regulations"), wherein 49.69% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. All investors (except Anchor Investors) shall participate in this Issue mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts which will be blocked by SCSBs. For details, see "Issue Procedure" on Page 262.

### RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company, in consultation with the BRLMs as stated in "Basis for Issue Price" on page 99 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 or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the 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 issued 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 Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 13 of this Red Herring Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Red Herring 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares of our Company issued through this Red Herring Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE") ("NSE EMERGE"). Our Company has received an In Principle approval letter dated 6<sup>th</sup> April, 2018 from NSE for using its name in this offer document for listing of our shares on the NSE EMERGE. For the purpose of this Issue, the designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

### BOOK RUNNING LEAD MANAGER



Navigant

#### NAVIGANT CORPORATE ADVISORS LIMITED

423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059

Tel No. +91-22-41204837 / 49735078

Email Id: [navigant@navigantcorp.com](mailto:navigant@navigantcorp.com)

Investor Grievance Email: [info@navigantcorp.com](mailto:info@navigantcorp.com)

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

SEBI Registration Number: INM000012243

Contact Person: Mr. Sarthak Vijlani

### REGISTRAR TO THE ISSUE



#### KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B,

Plot 31-32, Gachibowli, Financial District,

Nanakramguda, Hyderabad 500 032

Tel : +91 40 6716 2222; Fax : + 91 40 2343 1551

Website: [www.karisma.karvy.com](http://www.karisma.karvy.com)

E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Investor Grievance E-mail: [sircapaints.ipo@karvy.com](mailto:sircapaints.ipo@karvy.com)

Contact Person : Mr. M Murali Krishna

SEBI Registration : INR000000221

**BID / ISSUE OPENS ON: WEDNESDAY, 16<sup>TH</sup> MAY, 2018**

**BID / ISSUE CLOSES ON: TUESDAY, 22<sup>ND</sup> MAY, 2018**

\* Number of shares may need to be adjusted for lot size upon determination of issue price.

\*\* Subject to finalization of Basis of Allotment.

\*\*\* Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor shall bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid / Issue Opening Date.

## TABLE OF CONTENTS

SECTION	TITLE	PAGE NO
<b>I</b>	<b>GENERAL</b>	
	DEFINITIONS AND ABBREVIATIONS	1
	PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	10
	FORWARD LOOKING STATEMENTS	12
<b>II</b>	<b>RISK FACTORS</b>	13
<b>III</b>	<b>INTRODUCTION</b>	
	SUMMARY OF INDUSTRY OVERVIEW	31
	SUMMARY OF BUSINESS OVERVIEW	41
	SUMMARY OF FINANCIAL INFORMATION	45
	ISSUE DETAILS IN BRIEF	50
	GENERAL INFORMATION	52
	CAPITAL STRUCTURE	63
	OBJECTS OF THE ISSUE	86
	BASIC TERMS OF THE ISSUE	98
	BASIS FOR ISSUE PRICE	99
	STATEMENT OF TAX BENEFITS	102
<b>IV</b>	<b>ABOUT OUR COMPANY</b>	
	INDUSTRY OVERVIEW	104
	OUR BUSINESS	123
	KEY INDUSTRY REGULATIONS AND POLICIES	148
	OUR HISTORY AND CORPORATE STRUCTURE	157
	OUR MANAGEMENT	163
	OUR PROMOTERS	174
	OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES	178
	RELATED PARTY TRANSACTIONS	181
	DIVIDEND POLICY	182
<b>V</b>	<b>FINANCIAL STATEMENTS</b>	
	FINANCIAL STATEMENTS	183
	FINANCIAL INDEBTEDNESS	206
	MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	207
<b>VI</b>	<b>LEGAL AND OTHER INFORMATION</b>	
	OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	232
	GOVERNMENT & OTHER APPROVALS	238
	OTHER REGULATORY AND STATUTORY DISCLOSURES	240
<b>VII</b>	<b>ISSUE RELATED INFORMATION</b>	
	TERMS OF THE ISSUE	251
	ISSUE STRUCTURE	258
	ISSUE PROCEDURE	262
	RESTRICTIONS OF FOREIGN OWNERSHIP OF INDIAN SECURITIES	307
<b>VIII</b>	<b>MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</b>	308
<b>IX</b>	<b>OTHER INFORMATION</b>	
	LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	324
	DECLARATION	326

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

TERMS	DESCRIPTION
"our Company", "the Company", "SPIL", "Sirca" "we", "us" or "the Issuer"	Sirca Paints India Limited, a Public Limited Company incorporated under the Companies Act, 1956

#### CONVENTIONAL/ GENERAL TERMS

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of Sirca Paints India Limited
Banker to the Issue	The bank(s), which are clearing members and are registered with SEBI as Banker (s) to the Issue at which the Public Issue Account for the Issue will be opened, in this case being IndusInd Bank Limited, PNA House, 4th Floor, Plot No. 57 / 57 1, Road No. 17, Near SRL, MIDC, Andheri (East), Mumbai-400 093
Board of Directors / Board/Director(s)	The Board of Directors of Sirca Paints India Limited
NSE	National Stock Exchange of India Limited (the Designated Stock Exchange)
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and / or Provisions of the Companies Act, 1956 w.r.t. to the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Depositories Act	The Depositories Act, 1996 as amended from time to time
CIN	Company Identification Number
DIN	Directors Identification Number
Depositories	NSDL and CDSL
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.
Director(s)	Director(s) of Sirca Paints India Limited, unless otherwise specified
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
EPS	Earnings Per Share.
GIR Number	General Index Registry Number.
Gol/ Government	Government of India.
Statutory Auditor / Auditor	M/s Rajesh Kukreja & Associates, Chartered Accountants, the Statutory Auditors of our Company.
Peer Review Auditor	M/s. Ramanand & Associates, Chartered Accountants, the Peer Review Auditors of our Company.
Promoters	Promoters of the Company being Mr. Sanjay Agarwal, Mr. Apoorv Agarwal and Mr. Gurjit Singh Bains
Promoter Group Companies /Group Companies / Group Enterprises	Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Our Promoter Group / Group Companies / Entities" on page 178 of this Red Herring Prospectus.
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Key Managerial Personnel / Key	The officers vested with executive powers and the officers at the level

TERMS	DESCRIPTION
Managerial Employees	immediately below the Board of Directors as described in the section titled “Our Management” on page 163 of this Red Herring Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Sirca Paints India Limited
Non-Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b>
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Registered office of our Company	504, NDM 2, Netaji Subhash Place Wazirpur, Pitampura, Delhi-110034
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of NSE/Stock Exchange / EMERGE	The SME platform of NSE for listing of Equity Shares offered under Chapter X-B of the SEBI (ICDR) Regulations
SWOT	Analysis of strengths, weaknesses, opportunities and threats
RoC/ Registrar of Companies	Registrar of Companies, Delhi

#### ISSUE RELATED TERMS

TERMS	DESCRIPTION
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allot/Allotment/ Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the transfer of the respective portion of the Issued Shares by Company pursuant to the Issue of the Equity Shares to the successful Bidders.
Allocation/allotment of Equity shares	The Issue and allotment of the Equity Shares pursuant to the Issue to the successful Bidders.
Allotment advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allottee(s)	A Successful bidders (s) to whom the Equity Shares are being allotted.
Application Supported by blocked amount/ASBA	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.  Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA

TERMS	DESCRIPTION
	process.
ASBA Amount	Account maintained by the ASBA Bidder/Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Bidder/Investor.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section titled "Issue Procedure - Basis of Allotment" beginning on page 298 of this Red Herring Prospectus
Bid(s)	An indication to make an Issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form to subscribe for or purchase our Equity Shares of our Company at a price within the Price Band, including all revisions and Modifications thereto, to the extent permissible under SEBI ICDR Regulations.
Bid Amount	The highest value of the optional Bids as indicated in the Bid-cum-Application Form and payable by the Bidder upon submission of the Bid in this Issue.
Bid Cum Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus.
Bid Lot	[•] Equity shares and in multiples of [•] Equity Shares thereafter.
Bid/Issue Closing Date	The date on which the Designated Intermediaries shall not accept Bids for the Issue, which shall be published by our Company in all edition of Financial Express (a widely circulated English national newspaper) and all editions of Jansatta (a widely circulated Hindi national newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located).
Bid/ Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids for the Issue, which shall be published by our Company in all edition of Financial Express (a widely circulated English national newspaper) and all editions of Jansatta (a widely circulated Hindi national newspaper, Hindi also being the regional language in the place where our Registered Office is located).
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
Broker Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e, Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process/ Book Building Method	The book building route as provided under Schedule XI of the SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made.
Broker Centres	Broker centers notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange on the following link: - <a href="http://www.nseindia.com/Markets/PublicIssues/brokercentres">http://www.nseindia.com/Markets/PublicIssues/brokercentres</a>
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Navigant Corporate Advisors Limited.
Business Day	Monday to Friday (except public holidays)
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.

TERMS	DESCRIPTION
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Book Running Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <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 Bidders such as their Address, PAN, Occupation and Bank Account details.
Designated Intermediaries/Collecting agents	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Bidders, in relation to the Issue
Depository/ Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home">http://www.sebi.gov.in/sebiweb/home</a> . Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a> .
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated 7 <sup>th</sup> March, 2018 issued in accordance with Section 32 of the Companies Act, 2013.
Designated Market Maker	Market Maker appointed by our Company from time to time, in this case being Bhaijee Portfolio Limited who 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 any other period as may be notified by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited
DP	Depository Participant
DP ID	Depository Participant's Identity number
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Escrow Agreement	Agreement entered into amongst the Company, Book Running Lead Manager,



TERMS	DESCRIPTION
	the Registrar and the Banker to the Issue to receive monies from the Bidders through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated 23rd October, 2013, notified by SEBI read with SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
Issue/ Issue Size / Public Issue/ IPO	This Public Issue of upto 48,69,600 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per equity share aggregating to Rs. [●] lakhs by Sirca Paints India Limited.
Issue Closing date	The date on which the Issue closes for subscription being Tuesday, 22 <sup>nd</sup> May, 2018
Issue Opening date	The date on which the Issue opens for subscription being Wednesday, 16 <sup>th</sup> May, 2018
Issue Price	<p>The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus.</p> <p>Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors.</p>
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer to section titled "Objects of the Issue" beginning on page 86 of this Red Herring Prospectus
Market Making Agreement	The Market Making Agreement dated 19 <sup>th</sup> April, 2018 between our Company and Market Maker.
Market Maker Reservation Portion	The reserved portion of upto 2,44,000 Equity Shares of Rs.10 each at an Issue Price of Rs. [●] each to be subscribed by Market Maker.
MOU/ Issue Agreement	The Memorandum of Understanding dated 6 <sup>th</sup> March, 2018 between our Company and Book Running Lead Manager.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to 46,25,600 equity shares of face value Rs.10 each of Sirca Paints India Limited for cash at a price of Rs. [●] per Equity Share (the "Issue Price"), including a share premium of Rs. [●] per equity share aggregating up to Rs. [●] Lakhs.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Non Institutional Investors or NIIs	All Bidders, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter X-B of the SEBI ICDR Regulations

TERMS	DESCRIPTION
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Payment through electronic means	Payment through NECS, NEFT, or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price band of a minimum price (Floor Price) of Rs. [●] per equity share and the maximum price (Cap Price) of Rs. [●] per share and includes revisions thereof. The Price Band for the Issue will be decided by our Company in consultation with the BRLM and the Minimum Bid Lot will be decided by our Company in consultation with the BRLM and will be advertised in all edition of Financial Express (a widely circulated English national newspaper) and all editions of Jansatta (a widely circulated Hindi national newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located), at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their website.
Pricing Date	The date on which our Company in consultation with the BRLM, finalizes the Issue Price
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	The Bank Account opened with the Public Issue Account Banks by our Company under Section 40 of the Companies Act, 2013 to receive monies from ASBA Accounts and from the Escrow Accounts, in case of Anchor Investor(s), on the Designated date.
Qualified institutional Buyers or QIBs	A Mutual Fund, Venture Capital Fund, Alternative Investment Fund and Foreign Venture Capital investor registered with the Board, a foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance Company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005 - DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.



TERMS	DESCRIPTION
Registrar and share Transfer agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar/ registrar to this Issue/RTI	Registrar to the Issue being Karvy Computershare Private Limited
Reserved category/ categories	Categories of persons eligible for making application under reservation portion
Retail Individual Investors/RIs	Individual Bidders or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs. 2 Lakhs in this Issue.
Red Herring Prospectus or RHP	<p>The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto.</p> <p>The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the pricing date.</p>
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a>
Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
SME Exchange	The SME Platform of the National Stock Exchange of India Limited i.e NSE EMERGE
SME Platform	The SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE for listing equity shares Issued under Chapter XB of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange.
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form.
Sub-Syndicate Members	A SEBI registered member of NSE appointed by the BRLM, and/ or the Syndicate Member to act as a Sub-Syndicate Member in the Issue.
Syndicate Agreement	The agreement dated 19 <sup>th</sup> April, 2018 entered into among the BRLM, the Syndicate Members, Registrar of the Issue and our Company in relation to the collection of Bids in this Issue
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an Underwriter, namely, Bhaijee Portfolio Limited
Syndicate or member of the Syndicate	Collectively, the BRLM and the Syndicate Members
Transaction registration slip / TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Application.
Underwriters	Navigant Corporate Advisors Limited and Bhaijee Portfolio Limited
Underwriting Agreement	The Agreement dated 19 <sup>th</sup> April, 2018 entered into amongst the Underwriters and our Company.
Working Days	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue opening and Issue closing date and listing of the Equity Shares on the Stock Exchanges, –Working Days shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

## COMPANY/INDUSTRY RELATED TERMS/TECHNICAL TERMS

TERM	DESCRIPTION
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
Paint AC	Acrylic Paint
CAGR	Compounded Annual Growth Rate
FDI	Foreign Direct Investment
FMCG	Fast Moving Consumer Goods
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	India Rupee
IPA	Indian Paint Association
kg	Kilo Gram
MT	Metric Ton
Paint NC	Nitrocellulose Paint
NIC	National Industrial Classification
OEM	Original Equipment Manufacturer
RBI	Reserve Bank of India
USD	United State Dollar
Equity Share(s) or Share(s)	Means the equity shares of the Company having a face value of Rs. 10/- unless specified otherwise in the context thereof
Equity Shareholder	Means a holder of Equity Shares of Our Company
Financial Year/Fiscal/FY	Period of 12 month ended March 31 of that particular year unless stated otherwise.
Memorandum/Memorandum of Association	Memorandum of Association of the Company

## ABBREVIATIONS

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
B.Sc.	Bachelor of Science
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CAIIB	Certified Associate of the Indian Institute of Bankers
CC	Cubic Centimeter
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
C.S.	Company Secretary
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders

ABBREVIATION	FULL FORM
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/ Government	Government of India
HUF	Hindu Undivided Family
BSC	Bachelor in Science
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
SSC	Secondary School Certificate
M. Com.	Master of Commerce
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies	Registrar of Companies, Delhi
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements for the Nine months period ended December 31, 2017 and for the fiscal ended March 31, 2017, 2016, 2015, 2014 and 2013 and the respective notes, schedules and annexures thereto, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled "Financial Statements" on page 183.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the "IFRS") and the Generally Accepted Accounting Principles in the United States of America (the "U.S. GAAP"). Accordingly, the degree to which the financial statements included in this Red Herring 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, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### CURRENCY OF PRESENTATION

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

In this red herring Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One Hundred Thousand".

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

## INDUSTRY & MARKET DATA

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

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

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 1 of this red herring Prospectus.



## FORWARD LOOKING STATEMENTS

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

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

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others general economic conditions, political conditions, conditions in the finance & investment sector, fuel prices, inclement weather, interest rates, inflation etc. and business conditions in India and other countries.

- We have derived significant revenues from a limited number of clients and projects. The loss of one or more of our significant customers could adversely affect us.
- We have little or no prior experience in dealing with government entities or agencies.
- Our profitability and results of operations may be adversely affected in the event of increases in the price of raw materials, fuel costs, labor or other inputs.
- Our industry is highly fragmented and competitive and increased competitive pressure may adversely affect our results.
- Our business strategy may change in future and may be different from that which is contained herein.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of Interest with Affiliated Companies, the Group Entities and Other Related Parties;
- Other factors beyond our control.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 13 of this red herring Prospectus. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until listing and trading permission 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 this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. 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. 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. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.*

*To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 123, “Industry Overview” beginning on page 104 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 207 respectively, of this Red Herring Prospectus as well as other financial information contained herein.*

*The following factors have been considered for determining the materiality of Risk Factors:*

- *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.*

*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 impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 1 of this Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The risk factors are classified as under for the sake of better clarity and increased understanding:*



## INTERNAL RISK FACTORS

### A. Business Risk/Company Specific Risk


#### 1. *Some of the Properties are not owned are not owned by us.*


Our Company are operating from various office and operating as Godown / other offices which have been taken on lease as detailed given below:

S.No.	Details of the Property	Nature of Occupancy
1.	Shop premises at No. 139, 4 <sup>th</sup> Main, 9 <sup>th</sup> Cross, Chamrajpet, Bangalore-560018, Building, Ground Floor, Doors, Measuring 18*60 and electrical facilities.	Lease for a period of eleven (11) months commencing from 23 <sup>rd</sup> August, 2017
2.	Prop No. C-247, Bawana Industrial Area, Sector -4, Delhi 110039	Lease for a period of eleven (11) months commencing from 1 <sup>st</sup> March, 2018
3.	Unit No.16/B, Solaris-I Premises Co-Operative Society Ltd, Saki Vihar Road, Tungwa, Andheri (East) Mumbai - 400072	Lease for a period from 24 <sup>th</sup> December, 2016 to 23 <sup>rd</sup> December, 2018
4.	F-17, Jai Shree Ram Compound, Opp Gupta Compound Anjur Bhiwandi Road, Dapoda Village Tel-Bhiwandi, Thane -421302 Admeasuring area 2704 sq fts	Leave & License for a period of 12 months from 15 <sup>th</sup> December, 2017 to 14 <sup>th</sup> December, 2018
5.	Gala-12, Ground Floor, Paras Industrial Estate Premises Cs Ltd, Kachpada, Malad West, Mumbai - 400064 Admeasuring 307 sq ft.	Lease for a period of Twenty Two (22) months commencing from 12 Sep, 2017
6.	D-122, Sector -7, Noida Distt. Gautam Budh Nagar Uttar Pradesh.	Lease for the period of 11months commencing from 1 <sup>st</sup> March, 2018.
7.	505, Ground Floor, Balkrishna Apartment, Vesu, Surat-395007	Lease for the period of 11months commencing from 1 <sup>st</sup> April, 2018.
8.	15, Ground Floor, Kirti Sagar Tower, Behind Hotel Fortune Landmark, Usmanpura, Ashram Road, Ahmedabad - 380014	Lease for the period of 11months commencing from 1 <sup>st</sup> April, 2018.
9.	Door No. 2/377, Ground Floor, Mugalivakkam Road, Next to Dynamics Switch Gear Factory, Near L&T, service Station, Manapakkam, Chennai-600116	Lease for period of 11 months commencing from 1 <sup>st</sup> November, 2008*
10.	202/7, Vesu, Surat-395007	Lease for a period of 11 months commencing from 1 <sup>st</sup> April, 2018
11.	161, Parsi Street, Moritha. Tamandvi, Surat-394160	Lease for a period of 11 months commencing from 1 <sup>st</sup> April, 2018

Tenancy period of a lease has been expired and the same has been extended informally and rent is being paid on mutual terms. Any discontinuance of agreement to use the office will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

For further details please refer to section titled Our Business on page 123 of this Red Herring Prospectus.

2. ***Our Company is using the Logo  belonging to M/s SIRCA SPA for our business purpose and Our Company has not applied for registration of its own logo. We may fail to to successfully enforce or protect our intellectual property rights and thus our brand building efforts may be hampered which might lead to adverse effect on our business.***

Our Company is using logo  belonging to M/s. Sirca SPA for our business purposes and Our Company has not made any application for registration of our Logo/trademark under the Trademarks Act, 1999 and If our Company is unable to obtain registration of trademark, it may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business and also that M/s Sirca SPA may enforce its legal rights as registered trademark owner against our Company for using its trademark except for the purpose allowed by M/s Sirca SPA. Thus, It could adversely affect our results of operations. *For further details please refer to section titled Government & Other Approvals and Our Businesss on page 238 and page 123 of this Red Herring Prospectus.*

3. ***We have experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.***

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

(Rs. In Lacs.)

Particulars	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Net Cash flow from Operative activities	(183.21)	1,082.37	455.44	654.50	235.42	152.14
Net Cash Flow from investing activities	(382.71)	(538.23)	(111.33)	(26.96)	(59.02)	(196.86)
Net Cash Flow from Financing activities	526.99	(703.92)	(123.41)	(61.38)	394.95	(208.18)
<b>Net Cash Flow for the Year</b>	<b>(38.93)</b>	<b>(159.78)</b>	<b>220.70</b>	<b>566.16</b>	<b>571.35</b>	<b>(252.90)</b>

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

We have entered into transactions with our promoters, Promoter group. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may 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 operations. For further details please refer to Financial Statements Of Our Company on page 183 of Red Herring Prospectus.

5. ***The Promoter Group of our Company does not include Mrs. Aarti Goel, Mrs. Rooma Agarwal and/ or their entity(ies) in which they may have an interest.***

The Promoter Group of our Company does not include certain relatives of our promoters, namely, Mrs. Aarti Goel, Mrs. Rooma Agarwal and/ or their entity(ies). Our Promoter has provided a confirmation that they do not have any financial interest in the Company and do not own shareholding in Sirca Paints India Limited and are also not involved in the business of Sirca Paints India Limited, directly or indirectly and apart from the said confirmation, there are no formal disassociation arrangements between them. *For more information about the information available about our promoter group, please refer the chapter titled our "OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES" beginning from page 178 Of this Red Herring Prospectus.*

- 6. *We face risks and uncertainties (Including Termination of Agreement) associated with the implementation of expansion and new projects i.e setting up of Manufacturing Plant pursuant to Manufacturing License Agreement dated 16th February, 2018 entered into with SIRCA S.P.A. Italy may impact our initiation or continuation of Business. Consequently, our business, operations and revenue may be affected.***

Our business plan includes setting up of the Manufacturing plant pursuant to Manufacturing License Agreement dated 16th February, 2018 entered into with SIRCA S.P.A. We need the cooperation and consent of SIRCA SPA in connection with the operations of Manufacturing, which may not always be forthcoming and we may not always be successful at managing our relationships with SIRCA SPA. There are certain risks associated in operating with SIRCA SPA, may include the following:

- be unable or unwilling to fulfil its obligation under the Manufacturing License Agreement or other agreement and have disputes with us or terminate such agreement;
- take actions that are not acceptable to regulatory authorities;
- experience financial or other difficulties

We may face risks and uncertainties in relation to expansion which may include various factors i.e. we may face difficulties in recruiting, training and retaining sufficient skilled employees, technical and management personnel, obtaining clearance from applicable authorities for land and/or other process, and Termination of such agreement. This may adversely affect our business, results of operation and revenues. *For more information about the details of terms of Manufacturing License Agreement, please refer section "Our Business" appearing on page 123 of this Red Herring Prospectus.*

- 7. *Any failure including Termination of Distributorship Agreement dated 1<sup>st</sup> January, 2018 entered into with M/s. Sirca SPA, to fulfill the requirements of our international customers may adversely affect our revenues, result of operations and cash flows.***

Our Company has recently started its exports in Nepal, Sri Lanka and Bangladesh pursuant to Distributorship Agreement entered into between our Company and M/s Sirca SPA on 1<sup>st</sup> January, 2018. Our operations may be impacted by various risks inherent in international sales, including, termination of Distributorship Agreement dated 1<sup>st</sup> January, 2018 entered into with M/s. Sirca SPA, failure of our global delivery service model, restrictions imposed on sale and purchase of our products by the Government of India or the respective governments where our customers are located and economic, political or regulatory uncertainty, currency exchange rate fluctuations and varied regulatory framework and requirements. To the extent that we are unable to effectively manage our global operations and risks, we may be unable to maintain our revenue and profitability, or we may be subject to additional unanticipated costs or legal or regulatory action. As a consequence, our business, financial condition, results of operations and cash flows may be adversely affected.

- 8. *Any failure to fulfil the Terms of Distributorship Agreement dated 1<sup>st</sup> January, 2018 entered into with M/s. Sirca SPA, including to achieve the minimum yearly turnover may lead the termination of the Agreement and thus may adversely affect our revenues, result of operations and cash flows.***



Our Company has entered into a Distributorship Agreement dated 1<sup>st</sup> January, 2018 with M/s Sirca SPA wherein Our Company has been allowed to exports the goods in Nepal, Sri Lanka and Bangladesh, However, this is subject to certain conditions including to achieve a minimum turnover of EURO 4,300,000 (Four Million three hundred thousands) and EURO 4,800,000 (Four million eight hundred thousand) to be achieved in the year 2018 and 2019 respectively, if Our Company fails to achieve the minimum turnover as enumerated in the Agreement due to any reason which may be failure of our global delivery service model, restrictions imposed on sale and purchase of our products by the Government of India or the respective governments where our customers are located and economic, political or regulatory uncertainty etc., then this may lead to termination of Agreement, cancel the Distributorship' exclusivity or to reduce the extent of the Territory. As a consequence, our business, financial condition, results of operations and cash flows may be adversely affected.

**9. *Non adherence of Share Subscription and Shareholders Agreement dated 19<sup>th</sup> February, 2018 entered into with M/s. Sirca SPA, may lead to affect our business, operations and revenue.***

Our Company had entered into a Share Subscription and shareholders agreement dated 19<sup>th</sup> February, 2018 with M/s. Sirca SPA for investing the funds in Our Company and thus entered into a Share Subscription and shareholders agreement whereby Our Company and Promoters are required to adhere terms and mentioned therein. Any non adherence of such agreement may affect our business, operations and revenue. *For more information about the details of terms of Share Subscription and shareholders agreement, please refer section "Our Business" appearing on page 123 of this Red Herring Prospectus.*

**10. *We may be unable to obtain or maintain statutory and regulatory permits, licenses and approvals required to operate our manufacturing facilities, which could result in an adverse effect on our results of operations and Expansion plans.***

Our Company has entered into a Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 entered into with SIRCA S.P.A. pursuant to which Our Company is setting up a Manufacturing plant to manufacture paints India. Setting up of Manufacturing Plant require certain statutory and regulatory permits, licenses and approvals to operate such as consents to establish and operate from the state pollution control boards (where our manufacturing facilities are located), registration and licenses issued under the Factories Act for various manufacturing facilities, fire safety licenses from municipal fire safety authorities, registration certificates issued under various labour laws, including contract labour registration certificates and licenses as well as various direct and indirect taxation related registrations as may be applicable. Our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and inter alia, restrict certain activities. There can be no assurances that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof.

In future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. While we will endeavour to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial condition and results of operations.

**11. *Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act and other applicable laws in the past Years and Our Company has not filed applicable returns with Reserve Bank of India (RBI) as reporting of allotment of Equity Shares for foreign allottees and on transfer of Equity Shares.***

Our Company may incur penalties or liabilities for non compliance with certain provisions including lapsed/ made delay in certain filings and/or errorness filing/ Non Filing of eforms under Company Act applicable to it in the past years. Also, Our Company has not filed applicable returns with RBI as reporting for allotments of 20,317 equity shares at a price of Rs. 100 each on 24.12.2007 to the BGB Italia SRL and allotment of 4,000 equity shares at a price of Rs. 10 each on 19.01.2006, 6955 Equity Share at a price of Rs. 100 each on 01.02.2008, 5728 equity shares at a price of Rs. 100 each on 03.11.2008 to Mr. Gurjit Singh Bains and transfer of equity shares involving Non Resident shareholders and also that Return filed with RBI w.r.t. allotment of 34,09,046 equity shares & 25,56,510 equity shares allotted as Bonus shares on 19.12.2017 is pending for approval pursuant to applicable provisions of RBI and rule/Regulations made in this behalf. Such non compliances/delay Compliances /errorness filing/ Non Filing to ROC/RBI may incur the penalties or liabilities which may affect the results of operations and financial conditions.

**12. *Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.***

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. It also largely depends on the forecast and trends for the forthcoming season. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of stock. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

**13. *Our trading activities are exposed to fluctuations in the prices of traded goods.***

Our Company is dependent on third party suppliers for procuring the traded goods. We are exposed to fluctuations in the prices of these traded goods as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of traded goods may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our production/trade cycles and delivery schedules, which may result in the loss of our customers and revenues.

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

Modernization and technology up gradation is essential to reduce costs and increase the efficiency. Our technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we are utilizing latest technology by using latest machineries and equipments, we shall continue to strive to keep our technology updated. In case of a new found technology in the Paint and Related products, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations.

**15. *We are dependent upon the growth prospects of the industries, where end product made by using our product is used***

Our Company falls in to trading business that has substantial demand from varied industries and their sub-sectors. We thus cater to the requirements of these industries and any slowdown in the growth rate or downward trend in any of these industries directly or indirectly impact our own growth prospects and may result in decline in profits and turnover of sales.

***16. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.***

We import our Paint and related products from outside India and payment for these purchases is made in foreign currency. We have also started export for our products and receive sale proceeds in foreign currency. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

***17. The laws of various countries govern our customer contracts and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries.***

Several of our purchase orders executed with our customers are governed by the laws of the country in which either the customer is incorporated or where the business of the customer is situated and any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Lawsuits with respect to such disputes may be instituted in courts situated outside India, and it may become unfeasible for our Company to manage such litigation or obtain enforcement of awards made in such suits. Further, we may also incur significant litigation costs as a result of pursuing dispute resolution mechanisms outside India.

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

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals, which may affect our business adversely. For more information about the licenses required in our business and the licenses and approvals applied for renewal and approvals yet to apply, please refer section "Government and other statutory approvals" appearing on page 238 of this Red Herring Prospectus.

***19. We have not made any provision for gratuity which is required in Compliance with Accounting Standard 15 issued by ICAI and liability on account of such non compliance may adversely affect the financials results of the Company.***

In terms of Accounting Standard-15 (Employee Benefits) of the Institute of Chartered Accountants of India, the Company is required to assess gratuity liability each year and make provision for Gratuity liability. However the Company has not made the provision for gratuity liability. The financial statement does not include provision for gratuity liabilities. Any liability on account of such non compliance may adversely affect our results of operations. For more information about the same, please refer section "Financial Statements" appearing on page 183 of this Red Herring Prospectus.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause 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.

- 21. *Our ability to retain the clients is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the customers. Any failure by us to retain or attract customers may impact its business and revenues.***

We believe our strong brand reputation has helped us to attract and retain our customers. As a result, our reputation and perception of our brands are critical to our business. Although, we believe that we as well as our customers have a dedicated and talented team that comprise of experienced personnel in the field of foodgrain. Our business heavily relies on our reputation as well as the quality and popularity of the product provided by us and our visibility and perception amongst customers. It is important that we retain the trust placed by our customers. We must also continue to attract more and increase the number of our customers at a consistent rate. We attempt to retain our position by maintaining quality and by our ability to improve and add value to the performance of our customers in their respective areas. This requires constant upgradation of the methodology and technologies are adequately equipped. Further, we rely on a variety of advertising efforts tailored to target the customers. Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from our customers or any negative publicity against us may affect the rate of customers. Any failure by us to retain or attract customers may adversely impact our business and revenues.

- 22. *Our ability to retain our distributors is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the distributors. Any failure by us to retain or attract customers may impact its business and revenues.***

We are a leading players in Paint Industry. We believe that our brands are widely recognized in major cities of India by general public at large. We also believe our strong brand reputation has helped us attract and retain our customers and distributors. As a result, our reputation and perception of our brands are critical to our business. Although, we believe that we as well as our distributors have a dedicated and talented team of professionals that comprise of experienced personnel in the related field. It is important that we retain the trust placed by our distributors on our customers satisfaction oriented approach. We must also continue to attract more and increase the number of our customers serviced by us at a consistent rate. We attempt to retain our position by maintaining quality and by our ability to improve and add value to our products. This requires constant upgradation of the methodology and technology. Further, we rely on a variety of advertising efforts tailored to target the customers, such as advertising through print and electronic media, outdoor media, below the line advertising activities such as distributing leaflets, displays, brochures, and ambient media, amongst others. Further, due to the relatively low barriers of entry in the sector, new entrants may compete with the existing players with lesser difficulty as compared to other sectors. Further, if the clients perceive that the products are unsuitable or not suited to their requirements, it may adversely impact our ability to retain and attract new clients. Any failure by us to retain or attract clients may adversely impact our business and revenues.

**23. *Our Company does not have any long-term contracts with our clients and suppliers, which may adversely affect our results of operations.***

We are, to a major extent, dependent on external suppliers for our goods requirements and we do not have any long-term supply agreements or commitments in relation to the same. There can be no assurance that there will not be a significant disruption in the supply of goods from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of 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, responsiveness and service, financial stability and labour and other ethical practices. Consequently, we are also exposed to price fluctuations in goods, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition. In case of non-availability of goods on favourable terms, we may have to procure the same at the terms and conditions prevalent at that point. This may result in reducing our revenues by a considerable amount due to shortage of goods or due to inability to procure the same. Further, unfavourable terms of goods may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our future growth will be severely stunted. Any delay, interruption or increased cost in the supply 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. Also, Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers for long time. However, we have not entered into any long term contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business.

**24. *Delays or defaults in client payments could result in a reduction of our profits.***

We may be subject to working capital shortages due to delays or defaults in payments by clients. If clients defaults in their payments in due time to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

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

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

**26. *We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our



products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

**27. *Changes in customer preferences could affect our business, financial condition, results of operations and prospects.***

Any change in the customer preference can render our old stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner. However, we constantly focus on research and development and to develop new products to cater the customer needs, any change in customer preferences that decreases demand could affect our business, financial condition, results of operations and prospects.

**28. *Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.***

The demand for our products depends on quality that we market. Any failure of ours to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**29. *Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation providers for delivery of our goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products, which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials or finished goods may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**30. *Our lenders have charge over our immovable properties/Vehicles in respect of finance availed by us.***

We have provided security in respect of loans / facilities availed by us from banks by creating a charge over our immovable properties/vehicles. The total amounts outstanding and payable by us as secured loans were Rs. 910.11 lacs as on December 31, 2017. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further details of secured loans of our Company, please refer the chapter titled *Financial Indebtedness* on page 206 of this Red Herring Prospectus.

**31. *Our Promoters have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.***

Our Promoters have provided personal guarantees in relation to certain loan facilities availed by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

**32. *Termination of agreements/arrangements with Customers, could negatively impact our revenues and profitability.***

Our customers typically retain us on a non-exclusive basis. Many of our client contracts can be terminated with or without cause by providing notice and without termination-related penalties. Additionally, most of clients carry no commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our customers, and there are a number of factors relating to our clients that are outside our control that might result in the termination of an assignment or the loss of a client, including a demand for price reductions. Therefore our business may be adversely affected if any of our contracts are terminated by our customers.

**33. *While we are currently not subject to extensive Governmental regulation, any regulatory or legal framework introduced in the future may increase our compliance requirements and costs, which may adversely affect our business, results of operations and prospects. However to run our business, we require certain regulatory permits and approval to operate.***

At present, the segments in which we operate are not subject to extensive Government regulation. While we are not in a position to predict the likelihood, timing or content of any such regulation or legislation, if any such regulation or legislation is notified, we may be affected in various ways. However, we have obtained all permits and licenses, which are adequate to run our business. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

**34. *Our success depends largely on our senior management and our ability to attract and retain our key personnel.***

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not maintain key man's life insurance for our Promoters, senior members of our management team or other key personnel.

**35. *The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.***

The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, and availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

**36. *Insurance coverage obtained by us may not adequately protect us against unforeseen losses.***

We have maintained insurance coverage of our assets and accident policies as specified in section titled Insurance Policies on page 143 of the Red Herring Prospectus. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

**37. *Our promoter and promoter group will continue to retain significant control over our Company after the IPO.***

After completion of the Issue, our Promoters and Promoter Group will collectively own [●] % of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**38. *Our Company has not received “No-Objection” certificate from some of our lenders to undertake this Issue. Non receipt of such “No Objection” certificate could lead to non compliance with said lenders and provisions of the applicable laws.***

We have entered into arrangements for availing Auto/Vehicle loan facilities from lenders. Our Company has not obtained the No objection from the lender of Auto/Vehicle loan. Although, Statutory Auditor of the Company has confirmed that the Company is not required to obtain No objection in terms of said Auto/Vehicle Loan sanction letter/arrangement. There can be no assurance that we will be able to comply with other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. However, not obtaining the No objection may lead to non compliance of applicable laws.

For further details in this regard, including approvals obtained from our lenders for this Issue, please refer chapter titled ‘Financial Indebtedness’ beginning on page 206 of this Red Herring Prospectus.

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

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the NSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

- 40. *We may not be successful in implementing our business and growth strategies.***

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

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

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

- 42. *The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.***

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 86 of this Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

- 43. *We have not independently verified certain data in this Red Herring Prospectus.***

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

## **B. Risk related to this Issue and Investment in our Equity Shares**

### **44. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.**

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

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

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

### **46. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.**

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT"), is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

## **EXTERNAL RISK FACTORS**

### **47. Political, Economic and Social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the



private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**48. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have effected significant changes to the existing Indian company law/ listing framework, which may subject us to higher compliance requirements and increase our compliance costs.**

A majority of the provisions and rules under the Companies Act, 2013 have come into effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in Issuing documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in futures trading. Further, the Companies Act, 2013 imposes greater monetary and other liability on us and our directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to the limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to be notified. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

**49. Our business is dependent on economic growth in India.**

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

**50. 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.

**51. Global economic downturn and adverse market conditions could cause our business to suffer. A slowdown in economic growth in India could cause our business to suffer.**

The developed economies of the world viz. U.S., Europe, Japan and others are in midst of a downturn affecting their economic condition and markets general business and consumer sentiment has been

adversely affected due to the global slowdown and there can be no assurance whether the developed economies or the emerging market economies will see good economic growth in the near future. Consequently, this has also affected the global stock and commodity markets. Our performance and growth is directly related to the performance of the Indian economy. The performance of the Indian economy is dependent among other things on the interest rate, political and regulatory actions, liberalization policies, commodity and energy prices etc. A change in any of the factors would affect the growth prospects of the Indian economy, which may in turn adversely impact our results of operations, and consequently the price of our Equity Shares.

**52. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.**

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

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

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

**54. The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.**

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our financial condition or results of operations. The potential impact of a natural disaster on our results of operations and financial position is speculative, and would depend on numerous factors. The extent and severity of these natural disasters determines their effect on the Indian economy. Although the long term effect of diseases such as the H5N1 –avian flu virus, or H1N1, the swine flu virus, cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. An outbreak of a communicable disease in India would adversely affect our business and financial conditions and results of operations. We cannot assure you that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of

operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The GoI has proposed a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure which is proposed to be effective from April 1, 2016. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Further, the General Anti Avoidance Rules ("GAAR") are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, Interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, the GoI may introduce a waiver or incentive scheme in relation to specific population segments such as MSEs in public interest, pursuant to which we may be required to issue our products and services at discounted rates. This may affect our business and results of operations.

#### PROMINENT NOTES:

##### 1) SIZE OF THE ISSUE:

Public Issue of 48,69,600 equity shares of face value Rs. 10 each of Sirca Paints India Limited for cash at a price of RS. [●] per Equity Share (the "**Issue Price**") including a share premium of Rs.[●] per equity share aggregating up to Rs. [●] Lacs, of which 2,44,000 Equity Shares of face value of Rs. 10 each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of 46,25,600 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "**Net Issue**". The Issue and the Net Issue will constitute 26.65% and 25.32%, respectively of the post Issue paid up equity share capital of the Company.

##### 2) The average cost of acquisition of Equity Shares by the Promoters:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Sanjay Agarwal	58,31,844	0.96
Mr. Apoorv Agarwal	3,66,000	0.33
Mr. Gurjit Singh Bains	25,56,510	0.89

*\*The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled "Capital Structure" on page 63.*

3) Our Net worth as on 31<sup>st</sup> December, 2017 is Rs. 4835.21 Lacs as per Restated Financial Statements.

4) The Book - Value per share as on 31<sup>st</sup> December, 2017 is Rs. 39.31 as per Restated Financial Statements.

- 5) For information on changes in our Company's name, Registered Office and changes in the objects clause of the MOA of our Company, please refer "Our History and Corporate Structure" on page 157 of this Red Herring Prospectus.
- 6) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the NSE, the Designated Stock Exchange. For more information, please refer to "*Basis of Allotment*" on page 298 of the Red Herring Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) Investors are advised to refer to the paragraph on "*Basis for Issue Price*" on page 99 of this Red Herring Prospectus before making an investment in this Issue.
- 8) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.
- 9) Investors may contact the Book Running Lead Manager or the Compliance Officer for any complaint/clarifications/ information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
- 10) Other than as stated in the section titled "*Capital Structure*" beginning on page 63 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
- 11) Except as mentioned in the sections titled "*Capital Structure*" beginning on page 63 of this Red Herring Prospectus, we have not issued any Equity Shares in the last twelve months.
- 12) Except as disclosed in the sections titled "*Our Promoters*" or "*Our Management*" beginning on page 174 and page 163 respectively of this Red Herring Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
- 13) Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.
- 14) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled "*Capital Structure*" on page 63 of this Red Herring Prospectus.
- 15) There are no certain contingent liabilities as on 31<sup>st</sup> December, 2017 as per Restated Financial Statements mentioned on page 183 of this Red Herring Prospectus.
- 16) For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled "*Financial Statements*" on page 183 of this Red Herring Prospectus.
- 17) Except as disclosed in the section titled "*Our Promoter Group / Group Companies / Entities*" on page 178, none of our Group Companies have business interest in our Company.
- 18) For interest of Promoters/Directors, please refer to the section titled "*Our Promoters*" beginning on page 174 of this Red Herring Prospectus.
- 19) The details of transactions with the Group Companies/ Group Enterprises and other related party transactions are disclosed as Annexure 27 of restated financial statement under the section titled "*Financial Statements*" on page 183 of the Red Herring Prospectus.

## SECTION III: INTRODUCTION

### SUMMARY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been reclassified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled Risk Factors and Financial Statements and related notes beginning on pages 13 and 183 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.*

### INDUSTRY OVERVIEW

#### GLOBAL PROSPECTS AND POLICIES

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Over the medium term, global growth is projected to decline to about 3.7 percent. Once the cyclical upswing and US fiscal stimulus have run their course, prospects for advanced economies remain subdued, given their slow potential growth. In emerging market and developing economies, in contrast, growth will remain close to its 2018-19 level as the gradual recovery in commodity exporters and a projected increase in India's growth provide some offset to China's gradual slowdown and emerging Europe's return to its lower-trend growth rate. Nevertheless, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps vis-à-vis the group of more prosperous countries.

Despite strong aggregate figures in the baseline forecast and buoyant market sentiment, the current momentum is not assured. Upside and downside risks are broadly balanced over the next several quarters, but risks farther down the road are skewed to the downside. With still-easy financial conditions and persistently low inflation that has required protracted monetary policy accommodation, a potential further buildup of financial vulnerabilities could give way to rapid tightening of global financial conditions, denting confidence and growth. The support to growth that comes from procyclical policies, including in the United States, will eventually need to be reversed. Other risks include a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife.

The current favorable juncture offers a window to enact policies and reforms that protect the upswing and raise medium-term growth to the benefit of all—strengthening the potential for higher and more inclusive growth, building buffers that will help deal more effectively with the next downturn, improving financial resilience to contain financial market risks, and fostering international cooperation.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018#Chapter%201>)



## RECENT DEVELOPMENTS AND PROSPECTS

### An Investment-Led Pickup in Growth

At 3.8 percent, global growth last year was  $\frac{1}{2}$  percentage point faster than in 2016 and the strongest since 2011. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year (the highest share of countries experiencing a year-over-year growth pickup since 2010). The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO), with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies.

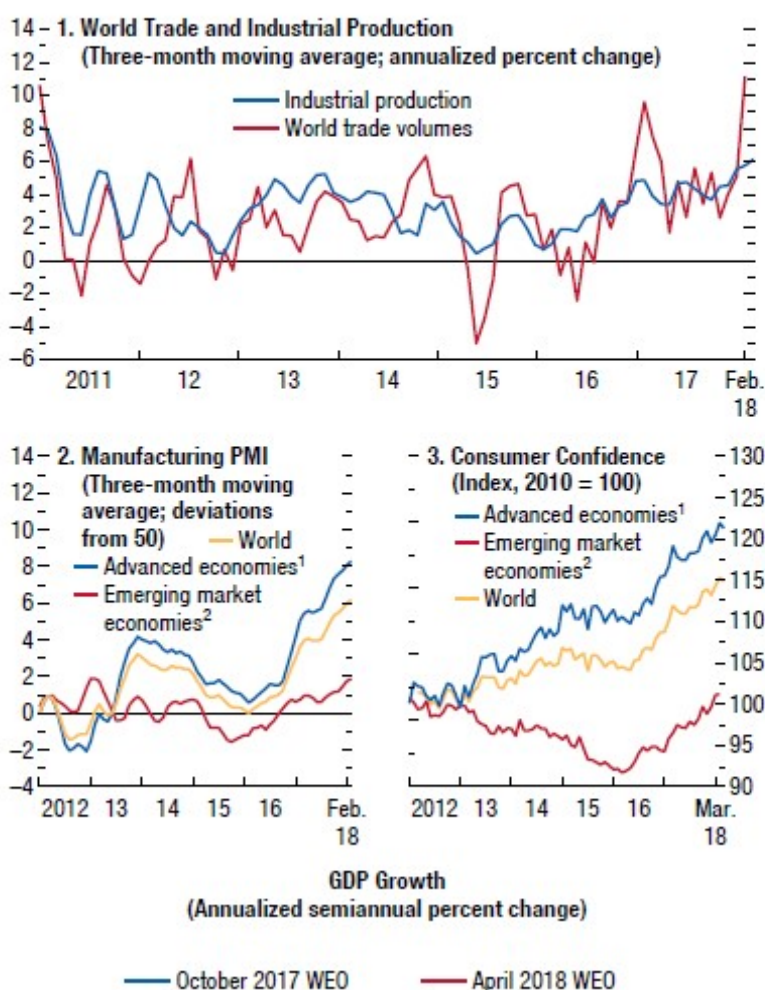
Resurgent investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging market and developing economies were important drivers of the uptick in global GDP growth and manufacturing activity (Figures 1.1-1.3).

- Across advanced economies, the 0.6 percentage point pickup in 2017 growth relative to 2016 is explained almost entirely by investment spending, which remained weak since the 2008-09 global financial crisis and was particularly subdued in 2016 (Figure 1.2, left column). Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

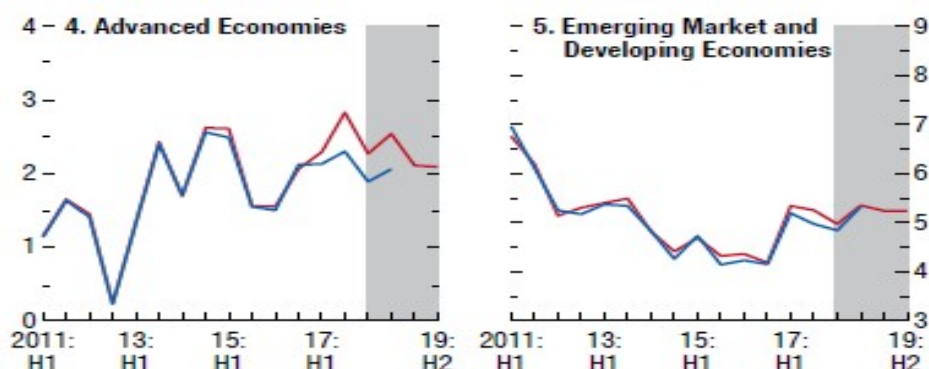
- Across emerging market and developing economies, the 0.4 percentage point pickup in 2017 growth came primarily from an acceleration in private consumption (Figure 1.2, right column). But the picture is mixed within the group. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed. An end to fixed investment contractions in commodity-exporting countries that were severely affected by the commodity price downturn during 2015-16 (notably Brazil and Russia, but also Angola, Ecuador, and Nigeria) instead played an important role in their growth pickup in 2017. Higher fixed investment growth (2.3 percentage points above its 2016 level) also supported the growth performance of other emerging market and developing economies, alongside stronger private consumption.

**Figure 1.1. Global Activity Indicators**

Global growth surprised on the upside in the second half of 2017 amid strengthening industrial production and trade.







Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff estimates.

Note: CC = consumer confidence; PMI = purchasing managers' index;

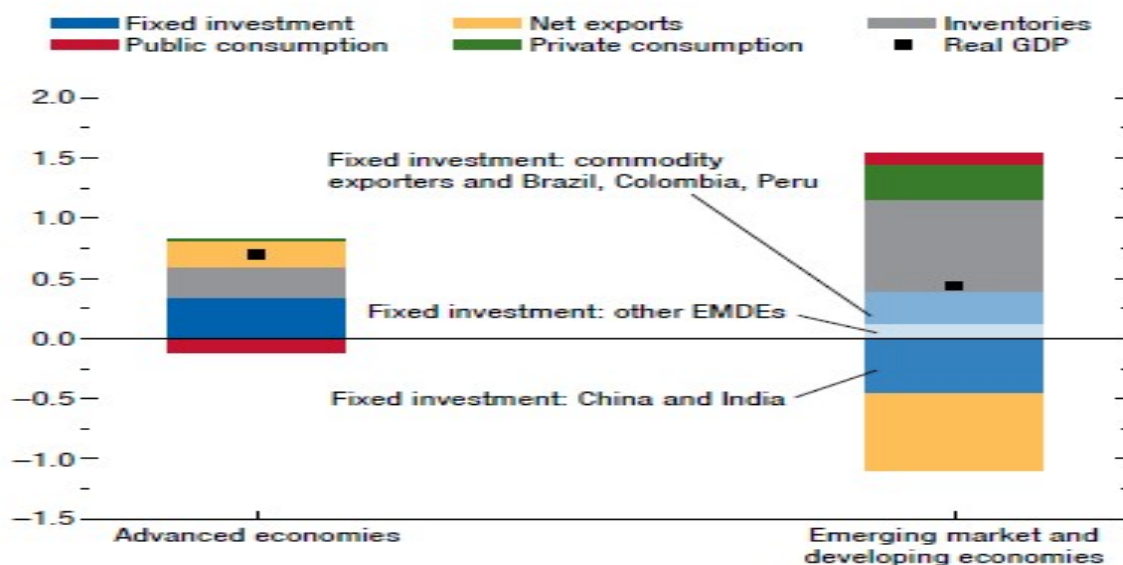
WEO = *World Economic Outlook*.

<sup>1</sup>Australia, Canada (PMI only), Czech Republic, Denmark, euro area, Hong Kong SAR (CC only), Israel, Japan, Korea, New Zealand (PMI only), Norway (CC only), Singapore (PMI only), Sweden (CC only), Switzerland, Taiwan Province of China, United Kingdom, United States.

<sup>2</sup>Argentina (CC only), Brazil, China, Colombia (CC only), Hungary, India (PMI only), Indonesia, Latvia (CC only), Malaysia (PMI only), Mexico (PMI only), Philippines (CC only), Poland, Russia, South Africa, Thailand (CC only), Turkey, Ukraine (CC only).

**Figure 1.2. Contributions to the Change in Real GDP Growth, 2016–17**  
(Percentage points)

Stronger investment spending in advanced economies and an end to fixed investment contractions in commodity exporters were important contributors to the pickup in global growth.



Source: IMF staff calculations.

Note: EMDEs = emerging market and developing economies.

## A Cyclical Rebound in Global Trade

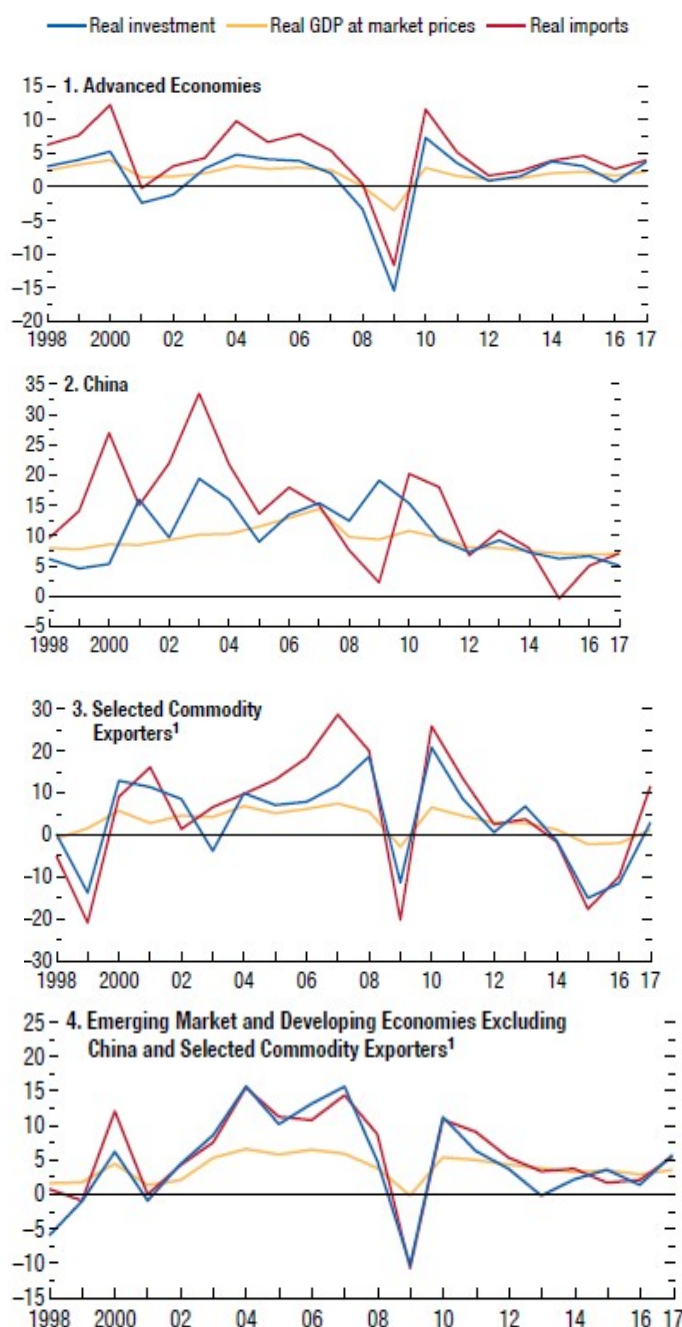
Global trade—which tends to be highly correlated with global investment (see Figure 1.3 and Chapter 2 of the October 2016 WEO)—recovered strongly in 2017 after two years of weakness, to an estimated real growth rate of 4.9 percent. The upsurge was more pronounced in emerging market and developing economies (with trade growth rising from 2.2 percent in 2016 to 6.4 percent in 2017), reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand more generally.

Among advanced economies, large exporters, such as Germany, Japan, the United Kingdom, and the United States, contributed strongly to the recovery in exports (Figure 1.4, panel 1), while the recovery in imports was broad based, except in the United Kingdom (Figure 1.4, panel 2).

Among emerging market and developing economies, as shown in Figure 1.4, panel 3, the rebound in export growth was particularly strong in emerging Asia, especially China.<sup>1</sup> In contrast, the rebound in imports largely reflects an import recovery among commodity exporters—countries that had earlier experienced sharp investment and import contractions during the 2015–16 commodity price downturn. This is shown in Figure 1.4, panel 4: the blue bars represent commodity exporters that had a particularly pronounced cycle in imports (Angola, Brazil, Ecuador, Nigeria, Russia); the green bars represent remaining commodity exporters, which account for an important part of the import demand cycle among other emerging market and developing economies.

**Figure 1.3. Global Investment and Trade**  
(Percent change)

Global trade recovered strongly in 2017 after two years of weakness as investment spending picked up.

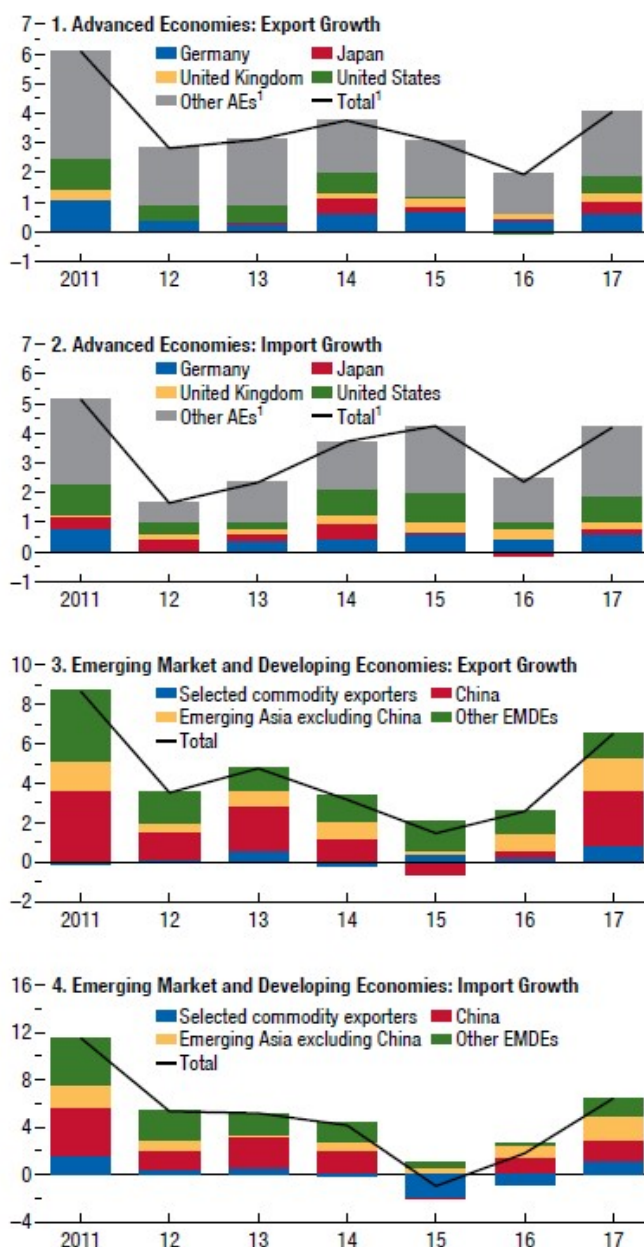


Source: IMF staff calculations.

<sup>1</sup>Selected commodity exporters = Angola, Brazil, Ecuador, Nigeria, Russia.

**Figure 1.4. Contributions to Trade Growth**  
(Percent)

The trade recovery was particularly pronounced in emerging market and developing economies.



Source: IMF staff calculations.

Note: Trade growth reflects export and import volumes from external sector data. AEs = advanced economies; EMDEs = emerging market and developing economies; selected commodity exporters = Angola, Brazil, Ecuador, Nigeria, Russia.

<sup>1</sup>Excludes Ireland.

## Indian Economy Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

### Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

### Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion,



respectively, during April-February 2017-18.

- India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four month low of 4.4 per cent in February 2018.
- Employment on net basis in eight key sectors in India including manufacturing, IT and transport increased by 136,000 in July-September quarter of 2017-18.
- The average salary hike of Indian employees is estimated to be 9.4 per cent and that of key talents is estimated to be nearly 15.4 per cent in 2018, backed by increased focus on performance by companies, according to Aon Hewitt.
- Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.
- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

## Government Initiatives

The Union Budget for 2018-19 was announced by Mr Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of Rs 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US\$ 93.85 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors.

India's unemployment rate is expected to be 3.5 per cent in 2018, according to the International Labour Organisation (ILO).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

### **Road Ahead**

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

*(Source: <https://www.ibef.org/economy/indian-economy-overview>)*

### **Indian Paint Industry-An overview**

The Paints & Allied Industry which has been exempted from compulsory licensing, mainly consists of paints, enamels, varnishes, pigments, printing inks, etc. These play a vital role in the economy by way of protecting national assets from corrosion. These items are manufactured both in the organized sector and small scale sector. The production of Paints of all kinds and Printing Ink during 2015-16 was 7,98,715.22 tonnes and 2,29,693.88 tonnes respectively. During the April, 2016 to October, 2016, the production of these products has been 500,720.34 tonnes and 1,41,532.50 tonnes respectively.

*(Source: Department of Industrial Policy and Promotion, [www.dipp.nic.in](http://www.dipp.nic.in) -Annual Report 2016-17)*

The Indian paint industry has been growing constantly over the last decade. Growth has been consistent with the GDP growth rate and in some years even higher. Over the past few years, the Indian paint market has substantially grown and caught the attention of many international players. The country continues to enjoy a healthy growth rate compared to other economies, backed by the increasing level of disposable income, and demand from infrastructure, industrial and automotive sectors. Indian paints industry by value and volume, is expected to grow at a CAGR (Compounded Annual Growth Rate) of around 12% during 2016-17 to 2021-22 in value terms.

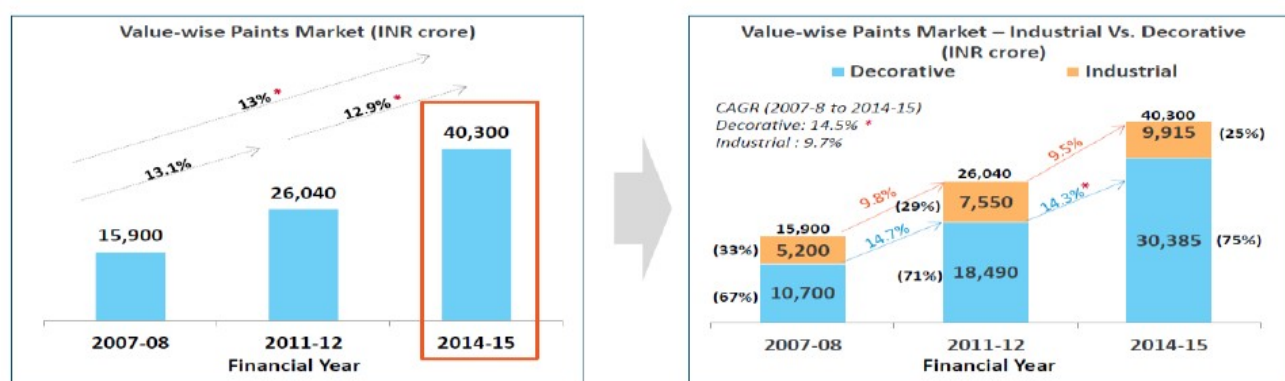
The Indian paint industry has been witnessing a gradual shift in the preferences of people from the traditional whitewash to higher quality paints like emulsions and enamel paints, which is providing the basic stability for growth of Indian paint industry. Besides, it is creating a strong competitive market, where players are utilizing different strategies to tap the growing demand in the market for a larger share.

Decorative Paints account for a major part of the industry. The main drivers for the growth of this sector have been shortening of the repainting cycle and increased demand from smaller towns. Another important driver for demand of Decorative paints is the new homes backed by easy availability of finance.

Paint Industry in India is driven by growth not only in construction activities but also in automotive industry. Media exposure and innovative marketing initiatives by the players have also added impetus to increasing awareness about latest trends prevalent in the sector. Due to increased Government funding for infrastructure, paint industry is poised for growth. A further analysis of key drivers and challenges of the market indicate the factors for growth of the market including boom in real estate construction, growth in industrial sector, growth in automobile industry, increase in disposable income, increased government expenditure on infrastructure.

The paint sector in India is facing certain challenges. Factors like rising input prices and stringent environmental regulations pose a barrier for growth. The paint sector is raw material intensive, with over 300 raw-materials (50% petro-based derivatives) involved in the manufacturing process. Since most of the raw materials are petroleum based, the industry is sensitive to crude oil prices. Another concern is that the demand for paint, being a discretionary expenditure, is typically hurt during periods of inflation.

The Indian paint industry in terms of value increased to Rs. 40,300 crore in financial year 2014-15 as compared to Rs. 26,040 crore in financial year 2011-12, representing, Compounded Annual Growth Rate (CAGR) of 12.9% during period 2011-12 to 2014-15 (excluding wall cement putty figures). The share of decorative paint is 75% and share of industrial paint is 25% in financial Year 2014-15.



(Source: AC Nielsen Report on Market Study on Paint Industry in India” issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

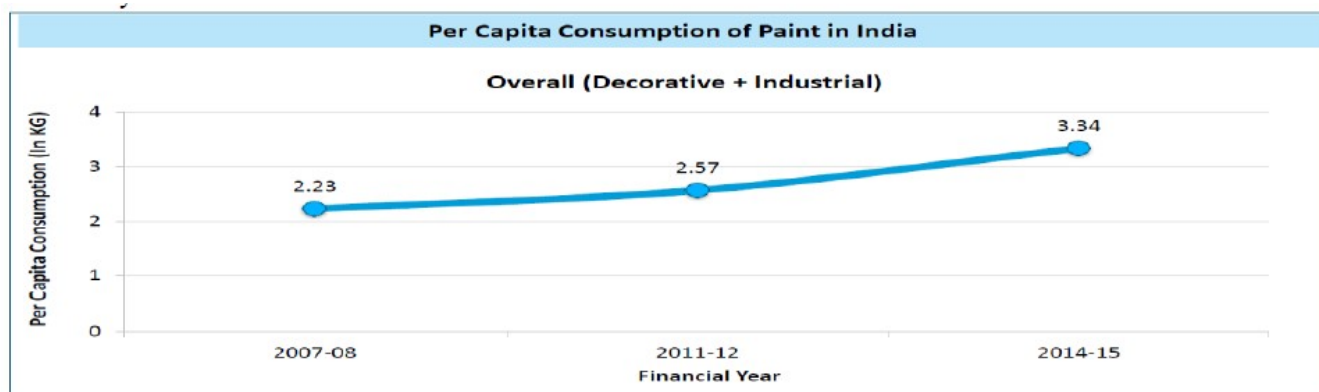
In terms of volume, the size of Indian paint industry was 4.19 Million MT in financial year 2014-15 as compared to 3.11 Million MT in financial year 2011-12. The share of decorative paint is 3.70 Million MT and share of industrial paint is 0.49 Million MT in the financial year 2014-15. Further, decorative to industrial ratio in terms of volume is 88: 12 for financial year 2014-15.



(Source: AC Nielsen Report on Market Study on Paint Industry in India” issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)



The per capita consumption of paint in India is 3.34 kg in financial year 2014-15 as compared to 2.57 kg in financial year 2011-12.



(Source: AC Nielsen Report on Market Study on Paint Industry in India” issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

## Segments

Paint industry is classified into two broad categories viz., Decorative and Industrial. While decorative paints constitute 74% share of the market sales, industrial paints constitute 26% share, with others being negligible;

**Decorative Paint**, include higher end acrylic exterior and interior emulsions, medium range exterior and interior paints, low end distempers, wall putty, wood coatings, cement paints, primers, thinners and putties - accounting for over 74% of the paint market in India and growing at a faster pace than Industrial paints. These are either water based or solvent based. Water based paints (or emulsions) are increasingly preferred by customers because of better aesthetics, durability and environmental reasons. The list of products in the decorative paints segment includes Enamel, Exterior Emulsion, Interior Emulsion, Putty, Distemper, Primer and Thinner, Wood Coatings and Cement Paint

**Emulsion (Interior and Exterior)** contribute to the highest category share, in terms of value, in decorative paints, while in terms of volume, putty contributed to high category share of the decorative paints, though its category share in terms of value is much less

**Industrial Paints**, essentially comprise general industrial, automotive, protective and powder coatings. In addition to the above, Indian paint companies are also present other segments such as automotive coatings, coil coatings, can coatings, marine coatings, wood coating etc. Some companies also manufacture certain key raw material chemicals in-house. The list of products in the Industrial paints segment includes Protective, Auto OEM, Auto Refinish, Powder Coating, GI Paints, Coil Coating, Can Coating, Marine and others.

**Protective paints** have the highest category share of industrial paints in terms of value, followed by the auto OEM segment, while the powder coating comprises the highest in terms of volume.

## Industry Structure

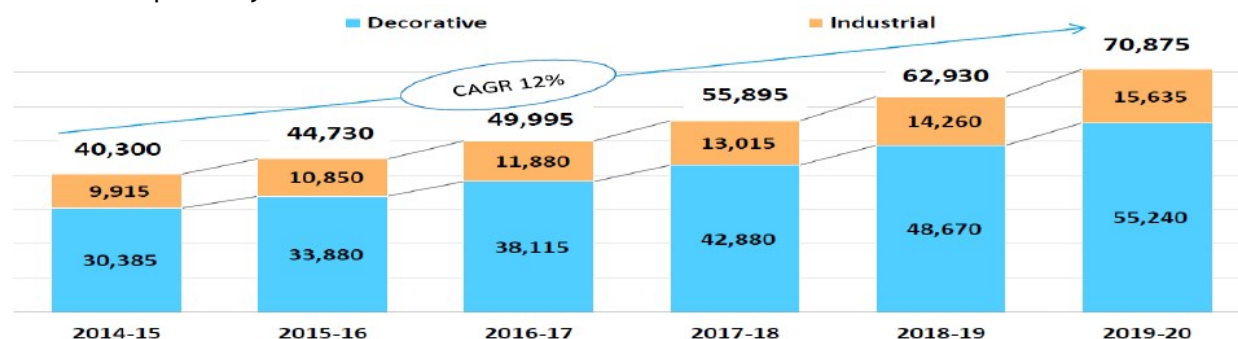
**Organized Sector**, top organized players include Asian Paints, Kansai Nerolac, Berger Paints, Akzo Nobel and Shalimar Paints. They control most of the market.

**Unorganized Sector**, in the unorganized segment there are about 2,000 units having small and medium sized paint manufacturing plants

Going forward with further clarity around timelines and effectiveness of GST rollout from the Government, it is likely expected that there shall be an accelerated shift from the unorganised to the organised market in the paint industry. The Companies shall be able to make their distribution networks more efficient thereby reducing the freight costs.

## Future Aspects

Indian paint industry is expected to grow from the current level of about Rs. 55,895 crore to about Rs.70,875 crore by the financial year 2019-20 with double-digit compounded annual growth rate (CAGR) of about 12% per financial year. The industrial paint market and decorative paint market is expected to witness a CAGR of 9.5% and 12.7% respectively.



(Source: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

The ASSOCHAM, in its recent report on "Indian paint Industry: 2014" reveals that India is the second-largest consumer of paint in Asia.

"The Indian paint industry has seen a gradual shift in the preferences of people from the traditional white wash to higher quality paints like emulsions and enamel paints", said Mr. D S Rawat, Secretary General ASSOCHAM.

As per the ASSOCHAM findings, the rural market has grown at a rate of around 20% a year (in financial year 2014). Increase in sales outside metros, as rural India's incremental consumption expenditure is witnessing a handsome growth.

The rural sector has a major share of the decorative paints segment. Thus, any benefit to the rural sector for improving the dispensable income is directly co-related to the growth of the paint industry. Besides, decorative paints are marketing savvy products backed by large advertisement campaigns and dealership networks.

(Source: <http://assocham.org/newsdetail.php?id=4670>)

## SUMMARY OF BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled Forward Looking Statements beginning on page 12 of this Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section Risk Factors for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forwardlooking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the sections titled Risk Factors and Financial Information beginning on pages 13 and 183, respectively.*

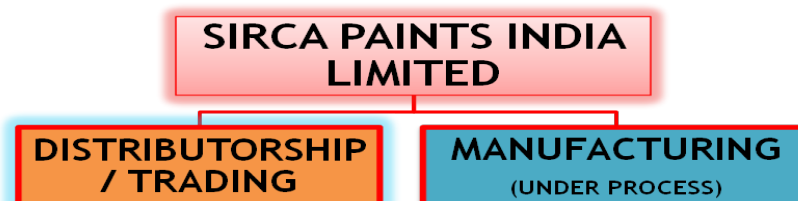
### OVERVIEW

Our Company was originally incorporated at New Delhi as “Sircolor Wood Coatings Private Limited” on 19<sup>th</sup> January, 2006 under the provisions of the Companies Act, 1956. Thereafter, the Name of the Company was changed to “Sirca Paints India Private Limited” vide fresh certificate of incorporation dated 3<sup>rd</sup> May, 2017 issued by the Registrar of Companies, Delhi. Consequently, the name of the Company was changed to “Sirca Paints India Limited” vide fresh certificate of incorporation dated 17<sup>th</sup> January, 2018 issued by the Registrar of Companies, Delhi.

The Foundation of Our Company was laid down by Mr. Sanjay Agarwal, Mr. Apoorv Agarwal and Mr. Gurjit Singh Bains in the year 2006 with a vision to have a distinct global presence in Paint Industry by providing high quality coatings and technical assistance which leads to as healthy customer relationship. After establishment, Our Company started import of Polyurethane Polish (PU) products from Italy and wall paints & Abrasives from Korea and selling them in India as a first step of Journey.

Our Company is the first Company to launch wood filler in India and opened its wholly owned branches in Mumbai and Chennai.

Our Company is in marketing and trading/distributor of paints and allied products after repackaging the same. Our Company use to procure the products majorly from SIRCA SPA ITALY through Import and selling them in India through its Distributors. In additional, Our Company also procure the products (Thinner, Abresives and Buffing Cream) from other suppliers based in India. Except Thinner and Abresives which are purchased from domestic suppliers, all other 100% Purchases are made from Outside India and the products which are purchased from domestic suppliers and sold out in India Only.



**Our Company has entered into a Distributorship Contract dated 1<sup>st</sup> January, 2018 with SIRCA SPA ITALY wherein Our Company got the Exclusive Right to promote the sale of PU & Metal Coating under trademark SIRCA in the territory of India, Sri Lanka, Bangladesh and Nepal with a minimum turnover of EURO**

4,300,000 (Four Million three hundred thousands) and EURO 4,800,000 (Four million eight hundred thousand) to be achieved in the year 2018 and 2019 respectively.

Our Company has entered into a Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 with SIRCA S.P.A. Italy for manufacturing the following products that our Company is currently distributing under the Product Distribution Agreement. Pursuant to this agreement, Our Company is having an Exclusive Right to manufacture the following products in India, under the mark "SIRCA".

- Paints NC;
- Paints AC;
- Thinner;
- Polyurethane Products.

Proposed Production Capacity: Presuming 300 operating days in a year and single Shift (12 Hours)-working basis, the production capacity of the unit is mfg. of 3000000 kgs of PU Thinner and 3600000 kgs of NC Lacquers 3600000kgs of melamine and 2000000kgs of Polyurethane products per annum initially, which is likely to be increased in the subsequent years. Actual utilization is expected to be 25 % in 1st year, 40 % in 2nd year, 60 % in 3rd year and approx 75% and above in further years.

Our Managing Director, Mr. Sanjay Agarwal is the guiding force behind the strategic decisions of our Company. His industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Our Company deploy the strategies to minimize the various risk associated with Business. Our Company obtains Buyers Credit from time to time for its Imports to minimize the credit risk and also enter into forward contracts from time to time to avoid the risk associated with the fluctuation of foreign exchange rates.

We, at Sirca paints, strive to be industry leaders in all our current business and aspire to be the pioneers in business of the future. We are currently focused to bring out the next phase of growth by entering into new phases and evolving into, even better players, in our existing business.

Our Company is built for the long term and is strongly established on sustainable fundamentals. Relationships fostered and sustained with our clients over a period of time; serves our aim to add vital value for the client by deeply understanding them and their ecosystem. We believe in creating and passing- enhanced value, enhanced wealth and enhanced goodness with each transaction.

Our Company has shown a tremendous growth in its total revenue, Our Total revenue has increased more than doubled in last 5 (five) years. Our total revenue in the Financial Year 2012-13 was Rs. 3402.29 Lacs which is now Rs. 8434.17 Lacs in the Financial Year 2016-17 and has shown an Increment of 147.89 %.

Our Profit after tax also shown as steep rise in last 5 (Five) years from Rs. 50.40 lacs in the Financial year 2012-13 to Rs. 1370.34 Lacs in the Financial Year 2016-17 an Increment of 2618.93 %. Also, Our total revenue for the nine months ended on 31<sup>st</sup> December, 2017 is Rs. 6470.29 lacs with a profit after tax of Rs. 1459.95 Lacs showing a growing trend of our Business operations over the previous years.

Details of Total Revenue for the last Five (5) years and for the period ended on 31<sup>st</sup> December, 2017 are us under:

(Amt In Lacs)						
Particulars	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Income						
Revenue from Operations	6395.28	8,251.01	7,054.57	6,525.45	5,552.35	3,431.92
Other Income	75.01	183.16	211.52	451.40	(144.35)	(29.63)

Particulars	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Total	6470.29	8,434.17	7,266.09	6,976.85	5,408.00	3,402.29
Profit before Depreciation, Interest and Tax	2274.67	2,206.09	1,175.54	1,011.56	363.29	196.92
Net Profit before Tax	2218.26	2,155.58	1,113.63	946.07	300.95	75.44
Net Profit	1459.95	1,370.34	727.62	617.88	197.11	50.40

#### OUR KEY UNIQUE BUSINESS STRENGTHS ARE:

- 1) **Experienced Promoters and a well trained employee base** - Our promoters Mr. Sanjay Agarwal, Mr. Apoorv Agarwal and Mr. Gurjit Singh Bains are experienced in our line of business. Our management and employee team combines expertise and experience to outline plans for the future development of the company. Since starting of operations, we have witnessed consistent and stable growth. Our Promoters have significant industry experience and has been instrumental in the consistent growth of our company. We believe that the knowledge and experience of our promoter and management will enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.
- 2) **Strong financial position** - We believe that our strong financial position will provide us with the financial flexibility to fund our growth and expansion and allow us to respond quickly and competitively to further capitalise on emerging opportunities in the market.
- 3) **Established brand and image**- We are engaged in providing services to our clients and over the years, we believe that we have established ourselves as a reliable brand in India as well as outside India wherein our clients trust us for our quality, consistency and continuous performance.
- 4) **Agreements with renowned brands**: Our Company has signed an Exclusive Distributorship Agreement with SIRCA SPA ITALY for selling its product in India, Sri Lanka, Bangladesh and Nepal. We believe that we have established ourselves as a reliable brand in India as well as outside India wherein our clients trust us for our quality, consistency and continuous performance.

#### OUR BUSINESS STRATEGIES:

##### 1. CONTINUE TO GROW OUR OVERALL MARKET SHARE BY LEVERAGING OUR PRESENCE IN EXISTING BUSINESS VERTICALS:-

We intend to expand our geographical reach and enter the large market for growth opportunities of our business globally. We plan to deepen our presence in the existing market and expand our reach and penetrate into the large available market by giving scale down low price solution and grab major market share.

##### 2. EXPANSION PLAN AND DIVERSIFICATION (SETTING UP OF MANUFACTURING PLANT):-

We have planned the expansion by way of manufacturing of Paints NC; Paints AC; Thinner; Polyurethane Products by setting up a manufacturing Unit pursuant to Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 entered with SIRCA S.P.A. Italy in District Sonapat, India for which the Company had identified the Industrial Land at Dist. Sonapat, Haryana.

Further, we have already acquired a land at Sonapat to provide approx 7895 Sq yard for setting up the manufacturing plant. Through this Manufacturing, we will be able to manufacture the products in India.

### 3. EXPANDING OUR CLIENTELE BASE:-

Our Company is strategizing to strengthen its cliental base. Our present customer base comprises of a large number of Overseas & Indian Companies/concerns. Our Company intends to grow business continuously by adding new customers.

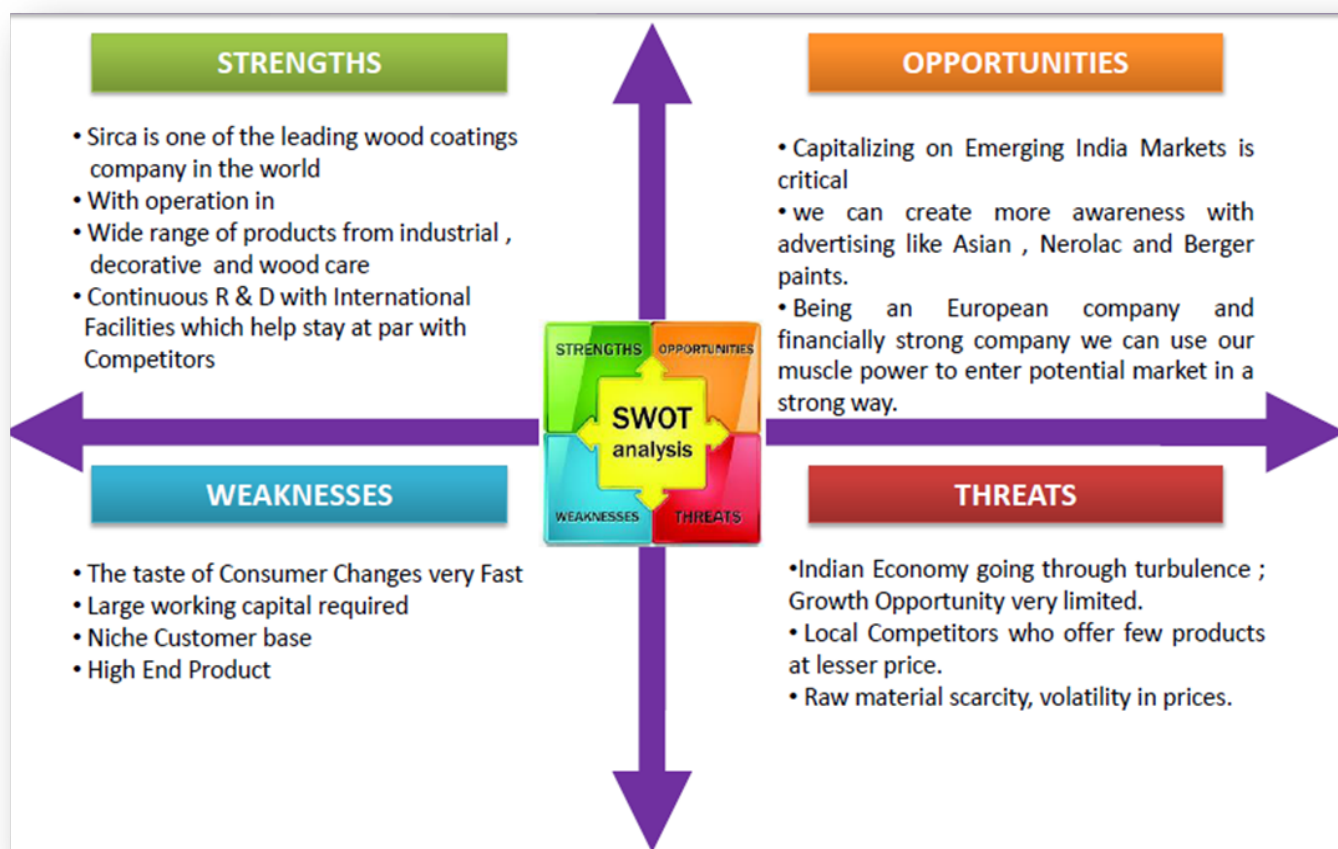
### 4. LEVERAGING OUR MARKET SKILLS AND RELATIONSHIPS:-

This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

### 5. PURSUE STRATEGIC ACQUISITIONS:

In order to expand, we seek to identify acquisition targets and/or joint venture partners whose resources, capabilities, technologies and strategies are complementary to and are enabling us to establish our presence in new geographical locations.

### SWOT:



For more information on the Company's activities, market, growth, technology and managerial competence, please see the chapters "Our Management", "Our Business" and "Industry Overview" beginning on pages 163, 123, and 104 respectively of this Red Herring Prospectus.



**SUMMARY OF FINANCIAL INFORMATION  
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Equity &amp; Liabilities</b>						
<b>Shareholders' Funds</b>						
Share Capital	1230.00	10.00	10.00	10.00	10.00	10.00
Reserve & Surplus	3614.43	3,402.86	2,032.52	1,304.90	688.05	490.93
<b>Total (A)</b>	<b>4844.43</b>	<b>3,412.86</b>	<b>2,042.52</b>	<b>1,314.90</b>	<b>698.05</b>	<b>500.93</b>
<b>Non Current Liabilities</b>						
Share Application Money	-	-	-	-	-	-
Long Term Borrowings	42.30	13.49	23.18	43.90	125.20	169.17
Deferred Tax Liabilities (Net)	-	-	-	-	3.31	1.86
Other Long Term Liabilities	-	-	-	-	-	-
Long Term Provisions	-	-	-	-	-	-
<b>Total (B)</b>	<b>42.30</b>	<b>13.49</b>	<b>23.18</b>	<b>43.90</b>	<b>128.51</b>	<b>171.03</b>
<b>Current Liabilities</b>						
Short Term Borrowings	867.81	371.98	1,044.75	1,137.00	1,097.47	621.81
Trade Payables	1353.56	936.52	590.44	296.72	756.26	748.55
Other Current Liabilities	452.65	608.39	415.68	215.75	127.37	107.18
Short Term Provisions	758.00	788.01	391.00	333.25	102.39	24.15
<b>Total (C)</b>	<b>3432.03</b>	<b>2,704.90</b>	<b>2,441.87</b>	<b>1,982.72</b>	<b>2,083.49</b>	<b>1,501.69</b>
<b>Total (D=A+B+C)</b>	<b>8318.75</b>	<b>6,131.25</b>	<b>4,507.57</b>	<b>3,341.52</b>	<b>2,910.05</b>	<b>2,173.65</b>
<b>Assets</b>						
<b>Non Current Assets</b>						
<b>Fixed Assets:</b>						
(i) Tangible Assets	976.17	661.67	222.93	213.94	226.89	237.13
(ii) Intangible Assets	-	-	-	-	-	-
(iii) Capital Work in Progress	-	110.29	-	-	-	-
(iv) Intangible Assets under development	-	-	-	-	-	-
Long Term Loans & Advances	-	-	-	-	-	-
Non Current Investments	316.21	214.19	264.70	213.83	220.83	177.17
Deferred Tax Assets (Net)	9.22	9.53	6.75	1.76	-	-
Other Non Current Assets	-	-	-	-	-	-
<b>Total (E)</b>	<b>1301.60</b>	<b>995.68</b>	<b>494.38</b>	<b>429.53</b>	<b>447.72</b>	<b>414.30</b>
<b>Current Assets</b>						
Current Investments	-	-	-	-	-	-
Inventories	1,749.67	1,014.67	603.89	353.84	507.69	550.72
Trade Receivables	3,249.31	2,399.55	1,597.94	1,114.67	1,160.05	922.52

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Cash & Bank Balances	1,294.57	1,333.49	1,493.28	1,272.58	706.43	135.06
Short Term Loans & Advances	20.39	8.45	3.58	0.46	1.64	84.76
Other Current Assets	703.21	379.41	314.50	170.44	86.52	66.29
<b>Total (F)</b>	<b>7,017.15</b>	<b>5,135.57</b>	<b>4,013.19</b>	<b>2,911.99</b>	<b>2,462.33</b>	<b>1,759.35</b>
<b>Total (G=E+F)</b>	<b>8318.75</b>	<b>6,131.25</b>	<b>4,507.57</b>	<b>3,341.52</b>	<b>2,910.05</b>	<b>2,173.65</b>

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

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Income</b>						
Revenue from Operations	6395.28	8,251.01	7,054.57	6,525.45	5,552.35	3,431.92
Other Income	75.01	183.16	211.52	451.40	(144.35)	(29.63)
<b>Total</b>	<b>6470.29</b>	<b>8,434.17</b>	<b>7,266.09</b>	<b>6,976.85</b>	<b>5,408.00</b>	<b>3,402.29</b>
<b>Expenditure</b>						
Cost of Purchases of Stock in trade	3703.40	5,302.33	5,178.08	4,844.10	4,310.06	2,411.14
Changes in Inventories of Stock in Trade	(735)	(409.45)	(251.37)	153.85	43.03	(271.64)
Employee Benefit Expenses	419.79	375.66	261.75	197.71	190.93	145.45
Administrative, Selling and Other Expenses	807.43	959.54	902.09	769.63	500.69	920.42
<b>Total</b>	<b>4195.62</b>	<b>6,228.08</b>	<b>6,090.55</b>	<b>5,965.29</b>	<b>5,044.71</b>	<b>3,205.37</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>2274.67</b>	<b>2,206.09</b>	<b>1,175.54</b>	<b>1,011.56</b>	<b>363.29</b>	<b>196.92</b>
Depreciation & Amortisations	48.10	39.71	51.47	45.88	25.60	23.81
Preliminary Expenses Written Off	-	-	-	-	-	-
<b>Profit before Interest &amp; Tax</b>	<b>2226.57</b>	<b>2,166.38</b>	<b>1,124.07</b>	<b>965.68</b>	<b>337.69</b>	<b>173.11</b>
Financial Expenses	8.31	10.80	10.44	19.61	36.74	97.67
Exceptional Items	-	-	-	-	-	-
<b>Net Profit before Tax</b>	<b>2218.26</b>	<b>2,155.58</b>	<b>1,113.63</b>	<b>946.07</b>	<b>300.95</b>	<b>75.44</b>
<b>Less: Provision for Taxes:</b>						
Current Tax	758.00	788.01	391.00	333.25	102.40	24.15
Deferred Tax	(0.31)	(2.77)	(4.99)	(5.06)	1.44	0.89
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>1459.95</b>	<b>1,370.34</b>	<b>727.62</b>	<b>617.88</b>	<b>197.11</b>	<b>50.40</b>
Extra Ordinary Items	-	-	-	-	-	-
<b>Net Profit</b>	<b>1459.95</b>	<b>1,370.34</b>	<b>727.62</b>	<b>617.88</b>	<b>197.11</b>	<b>50.40</b>

**STATEMENT OF CASH FLOW, AS RESTATED**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before taxes	2218.26	2,155.58	1,113.63	946.07	300.95	75.44
Adjustment for:						
Add: Depreciation & Amortizations	48.10	39.71	51.47	45.88	25.60	23.81
Add: Financial Expenses	8.31	10.80	10.44	19.61	36.74	97.67
Add: Preliminary Expenses Written Off.	-	-	-	-	-	-
Operating Profit before Working capital changes	2274.67	2,206.09	1,175.54	1,011.56	363.29	196.92
Adjustments for:						
Decrease (Increase) in Inventories	(735.00)	(410.78)	(250.05)	153.85	43.03	(271.63)
Decrease (Increase) in Trade & Other Receivables	(849.76)	(801.61)	(483.27)	45.38	(237.53)	(33.57)
Decrease (Increase) in Short Term Loans & Advances (Excl Taxes)	(667.32)	(4.87)	(3.12)	1.18	83.12	(83.54)
Decrease (Increase) in Other Current Assets	273.88	(14.24)	(20.75)	0.49	21.65	131.31
Increase (Decrease) in Trade Payables	417.04	346.08	293.72	(459.54)	7.71	216.86
Increase (Decrease) in Short Term Provisions (Excl Taxes)	220.73	-	0.81	(0.81)	-	-
Increase (Decrease) in Other Current Liabilities	(166.40)	203.37	199.93	88.38	20.19	45.59
Net Changes in Working Capital	(1,506.83)	(682.05)	(262.73)	(171.07)	(61.83)	5.02
Cash Generated from Operations	767.84	1,524.04	912.81	840.49	301.46	201.94
Taxes	(951.05)	(441.67)	(457.37)	(185.99)	(66.04)	(49.80)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(183.21)</b>	<b>1,082.37</b>	<b>455.44</b>	<b>654.50</b>	<b>235.42</b>	<b>152.14</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Sale / (Purchase) of Fixed Assets and CWIP	(280.69)	(588.74)	(60.46)	(33.96)	(15.36)	(19.69)
Decrease (Increase) in Investments	(102.02)	50.51	(50.87)	7.00	(43.66)	(177.17)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(382.71)</b>	<b>(538.23)</b>	<b>(111.33)</b>	<b>(26.96)</b>	<b>(59.02)</b>	<b>(196.86)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	-	-	-
Interest & Finance Charges	(8.31)	(10.80)	(10.44)	(19.61)	(36.74)	(97.67)
Preliminary Expenses Incurred	-	-	-	-	-	-
Increase / (Repayment) of Long Term Borrowings	39.47	(20.35)	(20.72)	(81.30)	(43.97)	(398.79)
Increase / (Repayment) of Short Term Borrowings	495.83	(672.77)	(92.25)	39.53	475.66	288.28
Decrease (Increase) in Long Term Loans & Advances	-	-	-	-	-	-

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Net Cash Flow from Financing Activities (C)	526.99	(703.92)	(123.41)	(61.38)	394.95	(208.18)
Net Increase / (Decrease) in Cash & Cash Equivalents	(38.93)	(159.78)	220.70	566.16	571.35	(252.90)
Cash and cash equivalents at the beginning of the year / Period	1,333.49	1,493.28	1,272.58	706.43	135.06	387.97
Cash and cash equivalents at the end of the year/ Period	1294.56	1,333.49	1,493.28	1,272.58	706.43	135.06

## ISSUE DETAILS IN BRIEF

The following table summarizes the issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	Upto 48,69,600 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs.[●] /- per Equity Share aggregating Rs. [●] lacs
<b>Of which:</b>	
Market Maker Reservation Portion	Upto 2,44,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. [●] /- per equity Share aggregating Rs. [●] lacs.
Net Issue to the Public	Upto 46,25,600 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. [●] /- per Equity Share aggregating Rs. [●] lacs.
<b>Of which:</b>	
QIB Portion	22,98,400 Equity shares shall be available for allocation.
<b>Of which:</b>	
Anchor Investor Portion	13,70,400 Equity Shares of Face Value of Rs. 10/- each
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	9,28,000 Equity Shares of Face Value of Rs. 10/- each
Available for allocation to Mutual Funds only (5% of the QIB portion excluding Anchor Investor Portion)	46,400 Equity Shares of Face Value of Rs. 10/- each
Balance of all QIBs including Mutual Funds	8,81,600 Equity Shares of Face Value of Rs. 10/- each
Retail Portion	Not less than 16,28,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. [●] /- per Equity Share aggregating Rs. [●] lacs will be available for allocation to investors up to Rs.2.00 Lacs.
Non-Institutional Portion	Not less than 6,99,200 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. [●] /- per Equity Share aggregating Rs. [●] lacs will be available for allocation to investors above Rs.2.00 Lacs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	1,34,00,000 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	Upto 1,82,69,600 Equity Shares of face value of Rs. 10 each
Use of Proceeds	For further details please refer chapter titled Objects of the Issue, beginning on page 86 of this Red Herring Prospectus for information on use of Issue Proceeds.



**Notes:**

1. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on 24<sup>th</sup> February, 2018 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on 3<sup>rd</sup> March, 2018.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

*1) In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;*

*2) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except QIB Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

*3) Our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulation. 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 Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.*

*For further details please refer to section titled “Issue Related Information” beginning on page 251 of this Red Herring Prospectus.*

## GENERAL INFORMATION

### SIRCA PAINTS INDIA LIMITED

Our Company was originally incorporated at New Delhi as “Sircolor Wood Coatings Private Limited” on 19<sup>th</sup> January, 2006 under the provisions of the Companies Act, 1956. Thereafter, the Name of the Company was changed to “Sirca Paints India Private Limited” vide fresh certificate of incorporation dated 3<sup>rd</sup> May, 2017 issued by the Registrar of Companies, Delhi. Consequently, the name of the Company was changed to “Sirca Paints India Limited” vide fresh certificate of incorporation dated 17<sup>th</sup> January, 2018 issued by the Registrar of Companies, Delhi.

#### REGISTERED OFFICE:

504, NDM 2,  
Netaji Subhash Place Wazirpur,  
Pitampura, Delhi-110034

Tel: + 91-11-42083083, 47533213

Email: [admin@sircapaints.com](mailto:admin@sircapaints.com)

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

#### COMPANY REGISTRATION NUMBER: 145092

#### COMPANY IDENTIFICATION NUMBER: U24219DL2006PLC145092

#### ADDRESS OF REGISTRAR OF COMPANIES

4<sup>th</sup> Floor, IFCI Tower,  
61, Nehru Place,  
New Delhi - 110019

Phone: 011-26235707, 26235708, 26235709

Fax: 011-26235702

Email: [roc.delhi@mca.gov.in](mailto:roc.delhi@mca.gov.in)

#### DESIGNATED STOCK EXCHANGE: National Stock Exchange of India Limited

#### LISTING OF SHARES OFFERED IN THIS ISSUE: National Stock Exchange of India Limited

For details in relation to the changes to the name of our Company, please refer to the section titled “Our History and Corporate Structure” beginning on page 157 of this Red Herring Prospectus.

#### CONTACT PERSON:

Mr. Chahat Mahajan,  
Company Secretary & Compliance Officer;  
504, NDM 2,  
Netaji Subhash Place Wazirpur,  
Pitampura, Delhi-110034

Tel: + 91-11-42083083, 47533213

Email: [cs@sircapaints.com](mailto:cs@sircapaints.com)

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

## BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Sanjay Agarwal	Managing Director	01302479	AACPA8997L	QD-11, Second Floor, Pitampura Saraswati Vihar 110034 DL
Mr. Apoorv Agarwal	Joint Managing Director	01302537	AHVPA2618Q	QD-11, Second Floor, Pitampura Saraswati Vihar 110034 DL
Mr. Gurjit Singh Bains	Non Executive and Non Independent Director	01977032	CGPPB7710R	Via Luigi, Boccherini (Mestre)40 Milan 30171 It
Ms. Archana Agarwal	Non Executive and Independent Director	08038188	AOBPS4680P	A-17, Sector 23, Gautam Budha Nagar Gautam Budha Nagar 201301
Mr. Sanjay Kapoor	Non Executive and Independent Director	00383275	AAJPK5947R	C-151 Vivek Vihar Phase-1 Delhi 110095

For further details of Management of our Company, please refer to section titled "Our Management" on page 163 of this Red Herring Prospectus.

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Chahat Mahajan,  
Company Secretary & Compliance Officer;  
504, NDM 2,  
Netaji Subhash Place, Wazirpur,  
Pitampura, Delhi-110034  
Tel: + 91-11-42083083, 47533213  
Email: [cs@sircapaints.com](mailto:cs@sircapaints.com)  
Website: [www.sircapaints.com](http://www.sircapaints.com)

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

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

For all Issue related queries, and for redressal of complaints, Bidders may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Lead Book Running Manager, who shall respond to the same.

#### CHIEF FINANCIAL OFFICER OF OUR COMPANY

Our Company has appointed Mr. Bharat Bhushan Arora as the Chief Financial Officer (CFO). His contact details are set forth hereunder:

Mr. Bharat Bhushan Arora  
Chief Financial Officer  
504, NDM 2,  
Netaji Subhash Place, Wazirpur,  
Pitampura, Delhi-110034  
Tel: + 91-11-42083083, 47533213  
Email: [arora@sircapaints.com](mailto:arora@sircapaints.com)  
Website: [www.sircapaints.com](http://www.sircapaints.com)

#### STATUTORY AUDITORS

**M/s. Rajesh Kukreja & Associates.**  
Chartered Accountants  
211, LSC, Pocket-B,  
Ashok Vihar, Phase-III,  
Delhi-110052  
Tel No. 91-11-27457813, 27457814  
E-mail: [ca.rk@hotmail.com](mailto:ca.rk@hotmail.com)  
Contact Person: Mr. Rajesh Kukreja  
Membership No. 083496  
Firm Registration No. 004254N

#### PEER REVIEW AUDITORS

**M/S. RAMANAND & ASSOCIATES,**  
Chartered Accountants  
6/C, Ostwal Park, Building No. 4 CHSL,  
Near Jesal Park, Jain Temple,  
Bhayander (East), Thane - 401105  
Tel : +91-22-2817 1199  
Telefax: +91-22-2817 1199  
E-mail: [rg@ramanandassociates.com](mailto:rg@ramanandassociates.com)  
Firm Registration No.-117776W  
Contact Person: Mr. Ramanand Gupta

#### BOOK RUNNING LEAD MANAGER

**NAVIGANT CORPORATE ADVISORS LIMITED**  
423, A Wing, Bonanza,  
Sahar Plaza Complex, J B Nagar, Andheri Kurla Road,  
Andheri East,  
Mumbai-400 059  
Tel No. +91-22-41204837 /49735078  
Email Id- [navigant@navigantcorp.com](mailto:navigant@navigantcorp.com)  
Investor Grievance Email: [info@navigantcorp.com](mailto:info@navigantcorp.com)  
Website: [www.navigantcorp.com](http://www.navigantcorp.com)  
SEBI Registration Number: INM000012243  
Contact Person: Mr. Sarthak Vijlani

## LEGAL ADVISORS TO THE ISSUE

### LAW AND LEGAL JURISTS

Chamber No. 612, Dwarka Court Complex,  
Sector - 10, Dwarka,  
New Delhi - 110 075  
Tel: +91-011-2381 2302  
Email: [lljurists@yahoo.co.in](mailto:lljurists@yahoo.co.in)  
Contact Person: Mr. Ranjan Kumar

## REGISTRAR TO THE ISSUE

### KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B,  
Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad 500 032  
Tel : +91 40 6716 2222  
Fax : + 91 40 2343 1551  
Website: [www.karisma.karvy.com](http://www.karisma.karvy.com)  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Investor Grievance E-mail: [sircapaints.ipo@karvy.com](mailto:sircapaints.ipo@karvy.com)

Contact Person : Mr. M Murali Krishna  
SEBI Registration : INR000000221

## SYNDICATE MEMEBR

### BHAIJEE PORTFOLIO LIMITED

Building No.14, 3rd Floor,  
Central Market, Ashok Vihar-I,  
New Delhi-110052  
Tel No.: 011-47475555, 47475599  
Email id: [navel.gupta@bhaijee.com](mailto:navel.gupta@bhaijee.com)  
Investor Grievance Email: [contact@bhaijee.com](mailto:contact@bhaijee.com)  
Website: [www.bhaijee.com](http://www.bhaijee.com)  
SEBI Registration Number: INB231299935  
Contact Person: Mr. Navel Kishore Gupta

## ESCROW COLLECTION BANK / BANKER TO THE ISSUE AND REFUND BANKER

### INDUSIND BANK LIMITED

PNA House, 4th Floor,  
Plot No. 57/57 1, Road No. 17,  
Near SRL, MIDC,  
Andheri (East), Mumbai-400 093  
Contact Person: Mr. Suresh Esaki  
Email Id- [suresh.easaki@indusind.com](mailto:suresh.easaki@indusind.com)

Contact No: +91-22-6106 9234  
Fax: +91-22-61069315

## BANKER TO THE COMPANY

<b>Yes Bank</b> <b>Address of Branch:</b> Ground Floor, Anchor No.-2, D mall, Plot No.-1, Netaji Subhash Place, Pitampura, New Delhi, Delhi-110034	<b>HDFC Bank</b> <b>Address of Branch:</b> 23-A, NN Towers, Community Centre, (Near Rani Bagh), Road No. 44, Pitampura, New Delhi, Delhi-110034	<b>ICICI Bank</b> <b>Address of Branch:</b> RP-1, Pitampura, Near TV Tower, Delhi-110034
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## SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

## BROKER CENTRES/ DESIGNATED CDP LOCATIONS/ DESIGNATED RTA LOCATIONS

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at [www.nseindia.com](http://www.nseindia.com). 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.

## CREDIT RATING

As the Issue is of Equity shares, credit rating is not mandatory.

## TRUSTEES

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

## IPO GRADING

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

## BROKERS TO THE ISSUE

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

## APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 100.00 Crores. Since the Issue size is less than Rs. 500.00 Crores, our Company has not appointed any monitoring agency for this Issue.

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



## DETAILS OF THE APPRAISING AUTHORITY

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

## INTER-SE ALLOCATION OF RESPONSIBILITIES

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

## EXPERT OPINION

Except the report of the Statutory Auditor of our Company on the financial statements and statement of tax benefits included in the Red Herring Prospectus, our Company has not obtained any other expert opinion.

## UNDERWRITING AGREEMENT

### Underwriting

This Issue is 100% Underwritten. The Underwriting Agreement is dated 19<sup>th</sup> April, 2018 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:

Name and Address of the Underwriters	Number of Equity Shares Underwritten	Amount Underwritten (Rupees In Lacs)	% of Total Amount Underwritten
<b>NAVIGANT CORPORATE ADVISORS LIMITED</b> 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 Tel No. +91-22-41204837 Email Id- <a href="mailto:navigant@navigantcorp.com">navigant@navigantcorp.com</a> Investor Grievance Email: <a href="mailto:info@navigantcorp.com">info@navigantcorp.com</a> Website: <a href="http://www.navigantcorp.com">www.navigantcorp.com</a> SEBI Registration Number: INM000012243 Contact Person: Mr. Sarthak Vijlani	UPTO 7,30,440	[•]	15.00%
<b>BHAJEE PORTFOLIO LIMITED</b> Building No.14, 3rd Floor, Central Market, Ashok Vihar-I, New Delhi-110052 Tel No.: 011-47475555, 47475599 Email id: <a href="mailto:navel.gupta@bhaijee.com">navel.gupta@bhaijee.com</a> Investor Grievance Email: <a href="mailto:contact@bhaijee.com">contact@bhaijee.com</a> Website: <a href="http://www.bhaijee.com">www.bhaijee.com</a> SEBI Registration Number: INB231299935 Contact Person: Mr. Navel Kishore Gupta	UPTO 41,39,160	[•]	85.00%
<b>Total</b>	<b>UPTO 48,69,600</b>	<b>.</b>	<b>100.00</b>

\*Includes 2,44,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the

*Market Maker in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

#### DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company has entered into an agreement dated 19<sup>th</sup> April, 2018 with the Book Running Lead Manager and Market Maker to fulfill the obligations of Market Making.

#### NAME AND ADDRESS OF THE MARKET MAKER

<b>Name</b>	<b>Bhaijee Portfolio Limited</b>
<b>Correspondence Address:</b>	Building No.14, 3rd Floor, Central Market, Ashok Vihar-I, New Delhi-110052
<b>Tel No.:</b>	011-47475555, 47475599
<b>Fax No.:</b>	011-47475599
<b>Email:</b>	<a href="mailto:navel.gupta@bhaijee.com">navel.gupta@bhaijee.com</a>
<b>Website:</b>	<a href="http://www.bhaijee.com">www.bhaijee.com</a>
<b>Contact Person:</b>	Mr. Navel Kishore Gupta
<b>SEBI Registration No.:</b>	INB011299931
<b>NSE Code</b>	12999

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

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The minimum depth of the quote shall be Rs. 1,00,000/- . However, the investors with holdings of value less than Rs.1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 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.
- The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market - for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

- The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

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

- Risk containment measures and monitoring for Market Makers:** NSE will have all margins, which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012 has laid down that for issue size upto Rs. 250 crore, the applicable price bands for the first day shall be:
  - In case equilibrium price is discovered in the call auction, the price band in the normal trading session be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the call auction, the price band in the normal trading session shall be 5% of the Issue size.

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

- Punitive Action in case of default by Market Makers:** NSE 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.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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

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

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.

## BOOK BUILDING PROCESS

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band, the Bid lot size for the issue will be decided by our company and in consultation with the BRLMs, which would be announced at least five working days before the opening of the Bid/Issue. The Issue Price shall be determined by our Company, in consultation with the BRLMs, in accordance with the Book Building Process, after the Bid/ Issue Closing Date.

The principal parties involved in the Book Building Process are:

- Our Company;
- The BRLMs;
- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) are appointed by the BRLMs;
- Registrar to the Issue;
- All Designated Intermediaries

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein 49.69 % of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund

Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue. For further details on the method and procedure for Bidding, please see section entitled Issue Procedure on page 262 of this Red Herring Prospectus.

**Illustration of Book Building Process and Price Discovery Process** (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue and also excludes bidding by Anchor Investors)

Bidders can bid at any price within the Price Band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the Issuer Company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	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 shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the BRLMs will, finalize the issue price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above this issue price are valid bids and are considered for allocation in the respective categories.

#### Steps to be taken by the Bidders for Bidding

Check eligibility for making a Bid (see section titled “Issue Procedure” on page 262 of this Red Herring Prospectus);

Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.

Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participants verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims

Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/Issue Programme

Activity	Indicative dates
Bid/Issue Opening Date	16 <sup>th</sup> May, 2018
Bid/Issue Closing Date	22 <sup>nd</sup> May, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	25 <sup>th</sup> May, 2018
Initiation of refunds/un-blocking of ASBA Accounts	On or before 28 <sup>th</sup> May, 2018
Credit of Equity Shares to Demat accounts of Allottees	On or before 29 <sup>th</sup> May, 2018
Commencement of trading of Equity Shares	30 <sup>th</sup> May, 2018

The above timetable is indicative and does not constitute any obligation on our Company, or the Book Running 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.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.



## CAPITAL STRUCTURE

The Share Capital of the Company as at the date of this Red Herring Prospectus, before and after the Issue, is set forth below.

(Rs. in Lacs, except share data)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorized Share Capital</b>		
	2,00,00,000 Equity Shares of face value of Rs.10 each	2000.00	2000.00
<b>B.</b>	<b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b>		
	1,34,00,000 Equity Shares of face value of Rs. 10 each	1340.00	
<b>C.</b>	<b>Present Issue in terms of the Red Herring Prospectus</b>		
	Issue of upto 48,69,600 Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share.	486.96	[●]
	<b>Which comprises</b>		
	Upto 2,44,000 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	24.40	[●]
	Net Issue to Public of 46,25,600 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public	462.56	[●]
	<b>Of which</b>		
	QIB Portion of 22,98,400 Equity Shares	229.84	[●]
	Non - Institutional Portion of not less than 6,99,200 Equity Share	69.92	[●]
	Retail Portion of not less than 16,28,000 Equity Shares	162.80	[●]
<b>D.</b>	<b>Equity Capital after the Issue</b>		
	Upto 1,82,69,600 Equity Shares of Rs. 10 each	1826.96	---
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		1330.00
	After the Issue		[●]

*\*This Issue has been authorized by the Board of Directors pursuant to a board resolution dated 24th February, 2018 and by the shareholders of our Company pursuant to a special resolution dated 3rd March, 2018 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.*

*Our Company has no outstanding convertible instruments as on the date of the Red Herring Prospectus.*

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

### CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

Sr. No.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1	-	1,00,000 Equity Shares of Rs. 10 each	-	Incorporation
2	1,00,000 Equity Shares of Rs. 10 each	2,00,00,000 Equity Shares of Rs. 10 each	14 <sup>th</sup> November, 2017	EGM

## NOTES FORMING PART OF CAPITAL STRUCTURE

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

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs.)	Issue price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
Incorporation	10,000	10	10	Cash	Subscription to MOA (A)	10,000	1,00,000	NIL
24.12.2007	77,317	10	100	Cash	Further Allotment (B)	87,317	8,73,170	69,58,530
01.02.2008	6,955	10	100	Cash	Further Allotment (C)	94,272	9,42,720	75,84,480
03.11.2008	5,728	10	100	Cash	Further Allotment (D)	1,00,000	10,00,000	81,00,000
19.12.2017	1,22,00,000	10	NA	Other than Cash	Bonus Issue (122:1) (E)	1,23,00,000	12,30,00,000	NIL
02.02.2018	4,00,000	10	150	Cash	Further Allotment (F)	1,27,00,000	12,70,00,000	5,60,00,000
22.02.2018	7,00,000	10	120	Cash	Further Allotment (G)	1,34,00,000	13,40,00,000	13,30,00,000

**A. Initial Subscribers to Memorandum of Association subscribed 10000 Equity Shares of face value of Rs. 10 each as per the details given below:-**

S.No.	Name of the Allottees	Number of Equity Shares
1	Sanjay Agarwal	4000
2	Apoorv Agarwal	2000
3	Gurjit Singh Bains	4000
	<b>Total</b>	<b>10000</b>

**B. Further Allotment of 77,317 Equity Shares of face value of Rs. 10 each as per the details given below:-**

S.No.	Name of the Allottees	Number of Equity Shares
1	Sanjay Agarwal	56000
2	Apoorv Agarwal	1000
3	BGB Italia SRL	20317
	<b>Total</b>	<b>77317</b>

- C. Further Allotment of 6,955 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Gurjit Singh Bains	6,955
	<b>Total</b>	<b>6,955</b>

- D. Further Allotment of 5,728 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Gurjit Singh Bains	5,728
	<b>Total</b>	<b>5,728</b>

- E. Bonus Issue of 1,22,00,000 Equity Shares of face value of Rs. 10 each in the ratio of 122 Equity Share for every 1 Equity Share held as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Sanjay Agarwal	58,31,844
2	Apoorv Agarwal	3,66,000
3	Gurjit Singh Bains	25,56,510
4	BGB Italia SRL	34,09,046
5	Anita Agarwal	12,200
6	Ayushi Agarwal	12,200
7	Srishti Agarwal	12,200
	<b>Total</b>	<b>1,22,00,000</b>

- F. Further Allotment of 4,00,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Gita Kirti	4,00,000
	<b>Total</b>	<b>4,00,000</b>

- G. Further Allotment of 7,00,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Sirca SPA, Italy	7,00,000
	<b>Total</b>	<b>7,00,000</b>

2. We have not issued any Equity Shares for consideration other than cash except bonus issue in the ratio of 122:1 on 19<sup>th</sup> December, 2017.

Date of Allotment	Number of Equity Shares	Name of the Allottees	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
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Date of Allotment	Number of Equity Shares	Name of the Allottees	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
19 <sup>th</sup> December, 2017	1,22,00,000	Sanjay Agarwal, Apoorv Agarwal, Gurjit Singh Bains, BGB Italia SRL, Anita Agarwal, Ayushi Agarwal, Srishti Agarwal	Promoter and Promoter Group	Bonus Issue (122:1)	10	NA

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 or Sections 230- 233 of the Companies Act, 2013.

4. Issue of Equity Shares in the last two (2) year preceding the date of Red Herring Prospectus:

Date of Allotment	Number of Equity Shares	Name of the Allottees	Face Value (in Rs.)	Issue Price (in Rs.)
19 <sup>th</sup> December, 2017	1,22,00,000	Sanjay Agarwal (58,31,844), Apoorv Agarwal (3,66,000), Gurjit Singh Bains (25,56,510), BGB Italia SRL (34,09,046), Anita Agarwal (12,200), Ayushi Agarwal (12,200), Srishti Agarwal (12,200)	10	N.A.
02.02.2018	4,00,000	Gita Kirti (4,00,000)	10	150
22.02.2018	7,00,000	Sirca SPA, Italy (7,00,000)	10	120

#### 5. Shareholding of our Promoters:

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

MR. SANJAY AGARWAL								
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Source of Funds	Pre-issue shareholding %	Post-issue shareholding %
19.01.2006	Cash	4,000	10	10	Subscription to MOA	Owned		
24.12.2007	Cash	56,000	10	100	Allotment	Owned		
15.12.2008	Cash	(1,898)	10	100	Sale	NA		
15.04.2009	Cash	(5,000)	10	100	Sale	NA		
18.06.2009	Cash	(5,000)	10	100	Sale	NA		
06.11.2017	Cash	(300)	10	3413	Sale	NA		
19.12.2017	Other than Cash	58,31,844	10	NA	Bonus Issue (122:1)	NA		
		<b>58,79,646</b>					<b>43.88</b>	<b>[•]</b>

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.

MR. APOORV AGARWAL								
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Source of Funds	Pre-issue shareholding %	Post-issue shareholding %
19.01.2006	Cash	2,000	10	10	Subscription to MOA	Owned		
24.12.2007	Cash	1,000	10	100	Allotment	Owned		
19.12.2017	Other than Cash	3,66,000	10	NA	Bonus Issue (122:1)	NA		
		<b>3,69,000</b>					<b>2.75</b>	<b>[•]</b>

*\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.*

MR. MR. GURJIT SINGH BAINS								
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Source of Funds	Pre-issue shareholding %	Post-issue shareholding %
19.01.2006	Cash	4,000	10	10	Subscription to MOA	Owned		
01.02.2008	Cash	6,955	10	100	Allotment	Owned		
03.11.2008	Cash	5,728	10	100	Allotment	Owned		
23.12.2008	Cash	(5,728)	10	100	Sale	NA		
15.04.2009	Cash	5,000	10	100	Acquisition	Owned		
18.06.2009	Cash	5,000	10	100	Acquisition	Owned		
19.12.2017	Other than Cash	25,56,510	10	NA	Bonus Issue (122:1)	NA		
		<b>25,77,465</b>					<b>19.23</b>	<b>[•]</b>

*\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.*

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

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

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

Name	No. of shares locked in	Date of Allotment/ Acquisition/Transfer	Issue Price / Purchase Price /Transfer Price(Rs. per share)	Source of Funds	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
Mr. Sanjay Agarwal	37,00,000	19.12.2017	N.A.	N.A. being Bonus Issue		
<b>Total</b>	<b>37,00,000</b>				<b>27.61</b>	<b>[●]</b>

We further confirm that the minimum Promoter Contribution of 20% 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.
- 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.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- 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.
- Equity shares issued to our Promoters on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

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.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- have not been subject to pledge or any other form of encumbrance; or
- have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;



- c) is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Red Herring Prospectus at a price lower than the Issue Price.

#### **Other requirements in respect of lock-in:**

In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

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

#### **6. Details of share capital locked in for one year:**

In addition to 20% of the post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, 2009, the entire pre-Issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, 2009, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

## 7. Shareholding pattern of our Company:

The table below presents the current shareholding pattern of our Company as on the date of this Red Herring Prospectus.

**Table I - Summary of Shareholding Pattern**

Category (I)	Category of shareholder (II)	Nos. of shar ehol ders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held No. of Partly paid-up equity shares held (V)	No. of share s unde rlying Depo sitory Recei pts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Share holdin g as a % of total no. of shares (calcul ated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities* (IX)			No. of Share s Unde rlying Outst andin g conve rtible securi ties (inclu ding Warra nts) (X)	Sharehold ing , as a % assuming full conversion of convertibl e securities ( as a percentag e of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbere d (XIII)		Nu mber of equ ity sha res held in de mat eriali zed form (XIV)	
								No of Voting Rights					Total as a % of (A+B +C)	No . ( a )	As a % of total Share s held (b)	No. (a )		As a % of total Share s held (b)
								Class X	Cla ss Y	Tota l								
(A)	Promoter and Promoter Group	7	1,23,00,000	-	-	1,23,00,000	91.79	1,23,00,000	-	1,23,00,000	91.79	-	91.79	-	-	-	-	8863011
(B)	Public	2	11,00,000	-	-	11,00,000	8.21	11,00,000	-	11,00,000	8.21	-	8.21	-	-	-	-	-
(C-)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C-1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C-2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	9	1,34,00,000	-	-	1,34,00,000	100.00	1,34,00,000	-	1,34,00,000	100.00	-	100.00	-	-	-	-	8863011

**Table II - Statement showing Shareholding Pattern of the Promoter and Promoter Group**

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total								
(1)	Indian																		
(a)	Individual / Hindu Undivided Family		6	8863011	-	-	8863011	66.14	8863011	-	8863011	66.14	-	66.14	-	-	-	-	8863011
	Sanjay Agarwal	-	1	5879646	-	-	5879646	43.88	5879646	-	5879646	43.88	-	43.88	-	-	-	-	5879646
	Apoorv Agarwal	-	1	369000	-	-	369000	2.75	369000	-	369000	2.75	-	2.75	-	-	-	-	369000
	Gurjit Singh Bains	-	1	2577465	-	-	2577465	19.24	2577465	-	2577465	19.24	-	19.24	-	-	-	-	2577465
	Anita Agarwal	-	1	12300	-	-	12300	0.09	12300	-	12300	0.09	-	0.09	-	-	-	-	12300
	Ayushi Agarwal	-	1	12300	-	-	12300	0.09	12300	-	12300	0.09	-	0.09	-	-	-	-	12300

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total								
		(Not to be Disclosed)							Class X	Class Y	Total								
	Srishti Agarwal	-	1	12300	-	-	12300	0.09	12300	-	12300	0.09	-	0.09					12300
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A-1)		6	8863011	-	-	8863011	66.14	8863011	-	8863011	66.14	-	66.14	-	-	-	-	8863011
(2)	Foreign																		

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares under lying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (OCB)	-	1	34,36,989	-	-	34,36,989	25.65	34,36,989	-	34,36,989	25.65	-	25.65	-	-	-	-
	BGB Italia SRL	-	1	34,36,989	-	-	34,36,989	25.65	34,36,989	-	34,36,989	25.65	-	25.65	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares under lying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
	Sub Total (A-2)	-	1	34,36,989	-	-	34,36,989	25.65	34,36,989	-	34,36,989	25.65	-	25.65	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		7	1,23,00,000	-	-	1,23,00,000	91.79	1,23,00,000	-	1,23,00,000	91.79	-	91.79	-	-	-	8863011



Table III - Statement showing Shareholding Pattern of the Public shareholder

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights			Total as a % of Total Voting Rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
(1)	Institutions																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights			Total as a % of Total Voting Rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights			Total as a % of Total Voting Rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-institutions																	
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lacs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights			Total as a % of Total Voting Rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lacs	-	1	4,00,000	-	-	4,00,000	2.99	4,00,000	-	4,00,000	2.99	-	2.99	-	-	-	-
	Gita Kirti	-	1	4,00,000	-	-	4,00,000	2.99	4,00,000	-	4,00,000	2.99	-	2.99	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
		(Not to be Disclosed)							No of Voting Rights			Total as a % of Total Voting Rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total							
	Depositories (holding DRs) (balancing figure)																	
(e)	Any Other (OCB) Sirca SPA, Italy	-	1	7,00,000	-	-	7,00,000	5.22	7,00,000	-	7,00,000	5.22	-	5.22	-	-	-	-
	Sub-Total (B)(3)	-	2	11,00,000	-	-	11,00,000	8.21	11,00,000	-	11,00,000	8.21	-	8.21	-	-	-	-
	Total Public Shareholding (B)= (B)(1) +(B)(2)+(B)(3)	-	2	11,00,000	-	-	11,00,000	8.21	11,00,000	-	11,00,000	8.21	-	8.21	-	-	-	-

Table IV - Statement showing Shareholding Pattern of the Non Promoter- Non Public shareholder

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class X	Class Y	Total								
		(Not to be Disclosed)																	
(1)	Custodian/DR Holder																		
(a)	Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub total (C)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee benefit) Regulations,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y	Total								
		(Not to be Disclosed)																	
	2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Securities and Exchange Board of India (Listing obligations and disclosures Requirement) Regulation, 2015, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.

We are in the process of entering into tripartite agreement with both the depositories.

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Sanjay Agarwal	58,79,646	0.96
Apoorv Agarwal	3,69,000	0.33
Gurjit Singh Bains	25,77,465	0.89

9. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

Name of the Shareholders	No. of Equity Shares	Pre-Issue percentage Shareholding
Sanjay Agarwal	58,79,646	43.88
Apoorv Agarwal	3,69,000	2.75
<b>TOTAL</b>	<b>62,48,646</b>	<b>46.63</b>

#### 10. Pre-Issue and Post Issue Shareholding of our Promoter and Promoter's Group

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

Particulars	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
<b>Promoter:</b>				
Sanjay Agarwal	58,79,646	43.88	58,79,646	32.18
Apoorv Agarwal	3,69,000	2.75	3,69,000	2.02
Gurjit Singh Bains	25,77,465	19.24	25,77,465	14.11
<b>Promoter Group:</b>				
BGB Italia SRL	34,36,989	25.65	34,36,989	18.81
Anita Agarwal	12,300	0.09	12,300	0.07
Ayushi Agarwal	12,300	0.09	12,300	0.07
Srishti Agarwal	12,300	0.09	12,300	0.07
<b>TOTAL</b>	<b>1,23,00,000</b>	<b>91.79</b>	<b>1,23,00,000</b>	<b>67.32</b>

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

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

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	Sanjay Agarwal	58,79,646	43.88
2	Apoorv Agarwal	3,69,000	2.75
3	Gurjit Singh Bains	25,77,465	19.24
4	BGB Italia SRL	34,36,989	25.65
5	Anita Agarwal	12,300	0.09
6	Ayushi Agarwal	12,300	0.09

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
7	Srishti Agarwal	12,300	0.09
8	Sirca SPA Italy	7,00,000	5.22
9	Gita Kirti	4,00,000	2.99
	<b>Total</b>	<b>1,34,00,000</b>	<b>100.00</b>

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

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	Sanjay Agarwal	58,79,646	43.88
2	Apoorv Agarwal	3,69,000	2.75
3	Gurjit Singh Bains	25,77,465	19.24
4	BGB Italia SRL	34,36,989	25.65
5	Anita Agarwal	12,300	0.09
6	Ayushi Agarwal	12,300	0.09
7	Srishti Agarwal	12,300	0.09
8	Sirca SPA Italy	7,00,000	5.22
9	Gita Kirti	4,00,000	2.99
	<b>Total</b>	<b>1,34,00,000</b>	<b>100.00</b>

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

Sr. No.	Name of the Shareholders	No. of Shares	% age of then Capital
1	Sanjay Agarwal	48,102	48.10
2	Apoorv Agarwal	3,000	3.00
3	Gurjit Singh Bains	20,955	20.96
4	BGB Italia SRL	27,943	27.94
	<b>TOTAL</b>	<b>1,00,000</b>	<b>100.00</b>

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

13. None of the persons belonging to the category Public are holding more than 1% of the total number of shares as on the date of this Red Herring Prospectus except as detailed below:

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	Sirca SPA Italy	7,00,000	5.22
2	Gita Kirti	4,00,000	2.99
	<b>Total</b>	<b>11,00,000</b>	<b>8.21</b>

14. There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Red Herring Prospectus is filed with NSE - Emerge except detailed below:

Date of Transaction	Nature of Transaction	No. of Shares	Face Value per Share (Rs.)	Acquisition/ Transfer Price (Rs.)
06.11.2017	Transfer by Mr. Sanjay Agarwal to Mrs. Anita Agarwal	100	10	3,413
06.11.2017	Transfer by Mr. Sanjay Agarwal to Ms. Ayushi Agarwal	100	10	3,413
06.11.2017	Transfer by Mr. Sanjay Agarwal to Mrs. Srishti Agarwal	100	10	3,413

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

16. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 298 of this Red Herring Prospectus.

17. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot.

Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.

18. Under-subscription in the net issue, if any, in any category, except in QIB Portion would be allowed to be met spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Emerge Platform of National Stock Exchange of India Limited.

19. The unsubscribed portion in any reserved category (if any) except in QIB Portion may be added to any other reserved category.

20. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.

21. As on date of filing of this Red Herring Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.

22. On the date of filing the Red Herring Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

23. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.

24. Lead Manager to the Issue viz. Navigant Corporate Advisors Limited does not hold any Equity Shares of our Company.

25. Our Company has not revalued its assets since incorporation.

26. Our Company has not made any public issue since incorporation.
27. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
28. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus until the Equity Shares to be issued pursuant to the Issue have been listed.
29. The Issue is being made through the Book Building Process wherein 49.69% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Provided that our Company, in consultation with the BRLM may allocate upto 59.62% of the QIB Portion, to Anchor Investors, on a discretionary basis (Anchor Investor Portion). 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 Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
30. Except as disclosed in the Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
31. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
32. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
33. 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.
34. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
35. Our Company has 9 (Nine) members as on the date of filing of this Red Herring Prospectus.

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing the equity shares on the NSE Emerge. We believe that the listing of Equity shares will enhance our brand name and provide liquidity to the existing shareholders. Listing will also provide a public market for the Equity Shares in India.

### Objects of the Fresh Issue

1. To finance the expenditure of Site/Plant Development and Purchase of Plant and Machinery
2. To part finance incremental working capital requirements of the Company;
3. To meet General corporate purposes;
4. To meet the expenses of the Issue.

We believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

### Utilization of Net Proceeds

The details of the proceeds of the Issue are summarized below:

(Rs. In Lacs)

S. No.	Particulars	Amounts*
1)	Gross Proceeds	[•]
2)	(Less) Issue related expenses*	[•]
3)	<b>Net Proceeds</b>	<b>[•]</b>

*\* To be finalized on determination of Issue Price.*

### FUND REQUIREMENTS

We intend to utilise the Net Proceeds from the Issue, in the manner set below:

Rs. In lacs

S. No.	Particulars	Estimated Amount*
1)	To Finance the expenditure of Site Development and Purchase of Plant and Machinery	3,320.00
2)	To part finance incremental working capital requirements of the Company.	[•]*
3)	General corporate purposes.	[•]*
	<b>Total</b>	<b>[•]*</b>

*\* To be finalized on determination of Issue Price and updated in the Prospectus prior to filing with the RoC.*

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and Internal Accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.



The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. 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 Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 13 of this Red Herring Prospectus.

#### **Schedule of implementation/ Utilization of Issue Proceeds**

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of Implementation and deployment of funds set forth in the table below. As on the date of this Red Herring Prospectus, our Company has not deployed any funds towards the objects of the Issue.

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

*(Rs. In lacs)*

Sr. No.	Particulars	Amount Proposed to be Deployed from Net Proceeds	Estimated Schedule of Deployment of Net Proceeds
			FY 2018-19
1)	To Finance the expenditure of Site/Plant Development and Purchase of Plant and Machinery	3,320.00	3320.00
2)	To part finance incremental working capital requirements of the Company.	[•]*	[•]*
3)	General corporate purposes.	[•]*	[•]*
	<b>Total</b>	<b>[•]*</b>	<b>[•]*</b>

**\* To be finalized on determination of Issue Price.**

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

## DETAILS OF THE OBJECTS

### I. TO FINANCE THE EXPENDITURE OF SITE/PLANT DEVELOPMENT AND PURCHASE OF PLANT AND MACHINERY

Our Company is in marketing and trading/distributor of paints and allied products after repackaging the same. Our Company use to procure the products majorly from SIRCA SPA ITALY through Import and selling them in India through its Distributors. In additional, Our Company also procure the products (Thinner, Abresives and Buffing Cream) from other suppliers based in India.

With a vision to set a Manufacturing Plant in India, Our Company has entered into a Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 with SIRCA S.P.A. Italy for manufacturing the following products that our Company is currently distributing under the Product Distribution Agreement. Pursuant to this agreement, Our Company is having an Exclusive Right to manufacture the following products in India, under the mark "SIRCA".

- Paints NC;
- Paints AC;
- Thinner;
- Polyurethane products.

## LIST OF PRODUCTS TO MANUFACTURE IN PHASE 1

### 1.) PU CLEAR SEALER

This is a universal polyurethane sealer, characterised by high transparency, good general properties and coverage. It is suitable for painting doors for interior, accessories and furniture in general.

**PHYSICAL AND CHEMICAL PROPERTIES** Specific weight:  $0,98 \pm 0,01$  g/cc at 20°C Viscosity: (DIN Ø 4 20°C) 35"  $\pm 5$  Solid content:  $43 \pm 1\%$

**APPLICATION METHOD** By spray SPECIFICS

### 2.) PU CLEAR MATT

This universal topcoat series has excellent covering power, it gives a good surface hardness, homogeneity and smoothness. It is characterized by high resistance towards chemical and food and drinks spots.

**PHYSICAL AND CHEMICAL PROPERTIES** Specific weight:  $0.98 \pm 0,01$  (g/cc at 20°C) Viscosity: (DIN 4 at 20°C) 70  $\pm 3$  Solid content:  $47\% \pm 1$

**APPLICATION METHOD** By spray and curtain coater

### 3.) PU WHITE SEALER

This is a white thixotropic polyurethane primer applicable by spray. Among its main characteristics, there are good covering power, verticality, uniformity, very good sandability and a good white point.

**PHYSICAL AND CHEMICAL PROPERTIES** Specific weight:  $1,42 \pm 0,01$  kg/l (g/cc at 20°C) Viscosity: (DIN Ø 4 20°C) 70"  $\pm 5$  Solid content:  $71 \pm 1\%$

**APPLICATION METHOD** By spray

#### 4.) MELAMINE SEALER

It is a fast drying, specially formulated with wax filler, two components, acid curing conversion varnish based on modified amino and alkyd resins in a solvent born system. It is a melaminsed coating specially formulated for wooden furniture and decorative finishing coat of wood for long lasting and beautiful finish. It protects wood for many years from heat, water, exterior condition, insect attack and termite.

It is a self-sealing and its excellent workability and fast drying time provides the benefit of one day job completion. It offers substantial economy in terms of durability, decorative and protective value compared to some of the conventional coating such as French Polish, N.C. coatings.

<b>Area of application</b>	Wood
<b>Type</b>	Two component acid-curing solvent born wood finish based on alkyd amino resins.
<b>Description and Colour</b>	Light, Yellow and liquid.
<b>Solids Content</b>	50 + - 1
<b>Density</b>	FOR SEALER 95.5+- .5
<b>Viscosity</b>	For SEALER 165+-2 SECOND
<b>Method of Application</b>	Brushing and Spraying

#### 5.) MELAMINE MATT AND GLOSS

It is a fast drying, two components, acid curing conversion varnish based on modified amino and alkyd resins in a solvent born system. It is a melaminsed coating specially formulated for wooden furniture and decorative finishing coat of wood for long lasting and beautiful finish. It protects wood for many years from heat, water, exterior condition, insect attack and termite.

It is a self-sealing and its excellent workability and fast drying time provides the benefit of one day job completion. It offers substantial economy in terms of durability, decorative and protective value compared to some of the conventional coating such as French Polish, N.C. coatings.

<b>Area of application</b>	Wood
<b>Type</b>	Two component acid-curing solvent born wood finish based on alkyd amino resins.
<b>Description and Colour</b>	Light, Yellow and liquid.
<b>Solids Content</b>	50 + - 1
<b>Density</b>	For Gloss 98.5+ - 5 for matt 95.5+- 5 for satin 99.0+-5 at 30°C
<b>Viscosity</b>	For gloss 88+- 2 Sec for Matt 163+ - 2Sec fro Satin 160+ - 2 Sec at 30°C.
<b>Method of Application</b>	Brushing and Spraying

#### **ESTIMATED PRODUCTION CAPACITY**

Presuming 300 operating days in a year and single Shift (12 Hours)-working basis the production capacity of the unit is mfg. of 3000000 kgs of PU Thinner and 3600000 kgs of NC Lacquers 3600000kgs of melamine and 2000000kgs of Polyurethane products per annum initially, which is likely to be increased in the subsequent years. Actual utilization is expected to be 25 % in Ist year, 40 % in IInd year, 60 % in IIIrd year and approx 75% and above in further years.

#### **TECHNICAL KNOW HOW AGREEMENT/COLLABORATIONS:**

Our Company has entered into a Distributorship Contract dated 1<sup>st</sup> January, 2018 with SIRCA SPA ITALY wherein Our Company got the Exclusive Right to promote the sale of PU & Metal Coating under trademark SIRCA in the

territory of India, Sri Lanka, Bangladesh and Nepal with a minimum turnover of EURO 4,300,000 (Four Million three hundred thousands) and EURO 4,800,000 (Four million eight hundred thousand) to be achieved in the year 2018 and 2019 respectively.

Also, Our Company has entered into a Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 with SIRCA S.P.A. Italy for manufacturing the following products that our Company is currently distributing under the Product Distribution Agreement. Pursuant to this agreement, Our Company is having an Exclusive Right to manufacture the following products in India, under the mark "SIRCA".

- Paints NC;
- Paints AC;
- Thinner;
- Polyurethane products.

### **RAW MATERIAL & PACKING MATERIAL**

1. For production of 1 kg of PU Thinner various raw materials required :

- a) 250 gms of Tolvane.
- b) 200 gms of Xylene.
- c) 400 gms of Butylacetate.
- d) 150 gms of Cellosolve Acetate.

2. For production of 1 kg of NC Lacquer various raw materials required :

- a) 7% of Nitrex.
- b) 30% of Alkyd Resin.
- c) 3% of Additive.
- d) 60% of Tolvane, Butyl Acetate & Butanol.

3) .Corrugated Boxes of various size and other consumable items are required for packing finished products.

Accordingly, we have proposed to use Rs. 3,320.00 lacs out of the issue proceeds to meet the expenditure of Site Development and Purchase of Plant and Machinery as detailed below:

The detailed break up of the above mentioned object is as under:

Sr. No.	Particulars	Amount in Lacs
1	Purchase of Land and Incidental expenses	1362.00
2	Construction of Building and wall	1007.50
3	Purchase of Equipment for Plant and Machinery and other assets, Preliminary and Pre operative Expenses	718.18
4	Purchase of Pollution equipments	232.32
	<b>Total</b>	<b>3320.00</b>

#### **1. Purchase of Land and Incidental expenses**

We have identified the Industrial Land at Dist. Sonapat, Haryana and we have already acquired a land at Sonapat to provide approx 7895 Sq yard for setting up the manufacturing plant. Cost of land has been estimated Rs. 1006.69 Lacs excluding registration and other statutory costs and cost of land leveling has been estimated to Rs. 55.00 Lacs. The Cost of Land Leveling and External Developments are based on the estimate given by HSC Engineers & Contractor Vide their letter dated 20<sup>th</sup> February, 2018.

Particulars	Amount (in
Land	1239.70

Particulars	Amount (in
Registry charges	65.00
Land leveling	55.00
External Developments (Roads Internal), Landscape lawns and external lighting	2.30
<b>Total</b>	<b>1362.00</b>

## 2. Construction of Building and wall

The details of the buildings and other civil works are as follows:

Sr. No.	Particulars	Amount (In Lacs)
a.	Construction of Boundry wall	100
b.	Construction of Building	907.50
	<b>Total</b>	<b>1007.50</b>

The Cost of Construction of Building and other Civil works is based on estimate given by HSC Engineers & Contractor Vide their letter dated 20<sup>th</sup> February, 2018.

## 3. Purchase of Equipment for Plant and Machinery and other assets

Our Company proposes to acquire following plant & Machinery aggregating to Rs. 673.45 Lacs the details of which are as follows:

Equipment for Plant and Machinery and other assets	Quantity	Amount (in Lacs)	Name of Suppliers	Date of Quotation
Tankers for underground storage of solvents	5	85.00	HSC Engineers & Contractor	20 <sup>th</sup> February, 2018
Overhead pipelines for transportation of solvents from underground tankers to production station	5000 sqft	75.00	HSC Engineers & Contractor	20 <sup>th</sup> February, 2018
High Accuracy wheel loader scale +-3-5% error	15	18.00	G G Technologies	22 <sup>nd</sup> February, 2018
Weighing scale normal	20	6.00	G G Technologies	22 <sup>nd</sup> February, 2018
Industrial stirrers neumatic	25	40.00	G G Technologies	22 <sup>nd</sup> February, 2018
Santint tintometric machines	2	6.00	Santint India Technology Private Limited	22 <sup>nd</sup> February, 2018
Spray guns	5	4.00	G G Technologies	22 <sup>nd</sup> February, 2018
Goods lift (Elevators)	1	20.0	Fireforx Elevators	22 <sup>nd</sup> February, 2018
Passenger lift	1	9.25	Fireforx Elevators	22 <sup>nd</sup> February, 2018

Equipment for Plant and Machinery and other assets	Quantity	Amount (in Lacs)	Name of Suppliers	Date of Quotation
Generator (genset kirloskar )	1	35.00	G G Technologies	22 <sup>nd</sup> February, 2018
Compressor for neumatic equipments	1	30.00	G G Technologies	22 <sup>nd</sup> February, 2018
Liquid Filling Machines	3	45.00	Cadetronics	22 <sup>nd</sup> February, 2018
Furniture and fixtures (office block 5000 sqft ) and shelvings		90.00	Internal Assesment by management	
electrical equipments	3630	145.20	HSC Engineers & Contractor	20 <sup>th</sup> February, 2018
Computers and peripherals	10	5.00	High Power Systems	26 <sup>th</sup> February, 2018
Other Miscellaeous handling and labour charges		60.00	Internal Assesment by management	
<b>Total</b>		<b>673.45</b>		

We do not propose to purchase any second hand Machinery in the proposed project.

#### **Preliminary and Pre-Operative Expenses**

Pre-operative and preliminary expenses mainly consist of start up and trial run expenses, establishment and project management expenses, engineering and consultancy fees, upfront fees, etc. The pre operative and preliminary expenses as estimated by the management would be Rs. 25 Lacs.

#### **Provision for Contingencies**

In the event of any cost overruns due to any changes in quoted prices of plant & machinery for which orders have not yet been placed, or on account of time variation, transportation cost, insurance, unexpected price rise due to factors beyond our control, contingencies have been provided to cover any such eventuality which may occur. Contingencies of Rs. 19.73 Lacs have been estimated, which is approximately 2.93% of the cost of plant & machinery.

#### **4. Purchase of Pollution equipments**

Our Company proposes to acquire following Pollution Equipments aggregating to Rs. 225.00 Lacs the details of which are as follows:

Pollution Equipments	Quantity	Rate per Quantity	Amount (in Lacs)	Name of Suppliers	Date of Quotation
Ventilation system (fumes management) with back filters (40000 sqft )	3630.00	1750	63.52	HSC Engineers & Contractor	20 <sup>th</sup> February, 2018
Sewage disposal plant and ETP	3630.00	2250.00	81.68	HSC Engineers & Contractor	20 <sup>th</sup> February, 2018
Fire fighting systems	3630.00	2400.00	87.12	HSC Engineers & Contractor	20 <sup>th</sup> February, 2018
<b>Total</b>			<b>232.32</b>		



We do not propose to purchase any second hand Machinery in the proposed project.

## II. TO FINANCE THE INCREMENTAL WORKING CAPITAL REQUIREMENTS OF THE COMPANY

Our Company is engaged in the business of trading of material related to paints and allied products etc. and other work items. Our Business is a working capital intensive industry. The increasing operations of our company will in turn lead to the increase in the requirement of working capital. The lead time for procuring the products is high and also in order to ensure readily available customized product along with a low lead time for our clients, we enjoy a lower credit period. Further, we are required to provide sufficient credit period to our clients resulting in high receivables and we enjoy minimum credit from our suppliers through against the same. We intend to increase our turnover over the years for which we would be required to provide extended credit period to our customers, but the credit period that we avail from our suppliers shall not increase substantially. This would require us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations. Accordingly, 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 Rs. [●] lacs out of the issue proceeds to meet the increase in long term working capital requirements.

Amount(Rs. In Lacs)

Sr. No.	Particulars	2014-15	2015-16	2016-17	AS ON 31.12.2017
		Audited	Audited	Audited	Audited
<b>A.</b>	<b>Current Assets</b>				
	Inventories	353.84	603.89	1,014.67	1,749.67
	Receivables	1,114.67	1,597.94	2,399.55	3,249.31
	Other Current Assets	170.44	314.50	379.41	703.21
	<b>Total Current Assets</b>	<b>1638.95</b>	<b>2516.33</b>	<b>3792.96</b>	<b>5702.19</b>
<b>B.</b>	<b>Current Liabilities</b>				
	Trade Payables	296.72	590.44	936.52	1353.56
	Short Term Provisions	333.25	391.00	788.01	758.00
	Other Current Liabilities	215.75	415.68	608.39	452.65
	<b>Total Current Liabilities</b>	<b>845.72</b>	<b>1397.12</b>	<b>2332.92</b>	<b>2564.21</b>
<b>C.</b>	<b>Working Capital Gap (A-B)</b>	<b>793.23</b>	<b>1119.21</b>	<b>1460.04</b>	<b>3137.98</b>
<b>D.</b>	<b>Owned Funds/Internal Accruals available for working capital</b>	<b>793.23</b>	<b>1119.21</b>	<b>1460.04</b>	<b>3137.98</b>

The Details of Our Company's expected Working Capital Requirement as at March 31, 2019 is set out in the table given below:

Amount(Rs. In Lacs)

Sr. No.	Particulars	2018-19
<b>A.</b>	<b>Current Assets</b>	
	Inventories	2274.00
	Receivables	4000.00
	Other Current Assets	75.00
	<b>Total Current Assets</b>	<b>6349.00</b>
<b>B.</b>	<b>Current Liabilities</b>	
	Trade Payables	1200
	Other Current Liabilities	800

Sr. No.	Particulars	2018-19
	Short Term Provisions	1075
	<b>Total Current Liabilities</b>	<b>3075</b>
C.	<b>Working Capital Gap (A-B)</b>	3274
D.	<b>Owned Funds/Internal Accruals available for working capital</b>	[•]
E.	<b>Working Capital funding through IPO Proceeds</b>	[•]

As per our estimates we would require Rs. [•]\* lacs out of the issue proceeds to meet the working capital requirements.

*\* To be finalized on determination of Issue Price.*

#### Justification of Holding Level

<b>Inventories</b>	We have assumed Inventories holding period of 3.50 months in financial year 2018-19 against 2.3 months in financial year 2016-17 which is slightly higher than previous year's holding period as we are expecting increase in our revenues from the sale of goods and therefore, expect to hold more inventories.
<b>Trade Receivables</b>	We have assumed Trade Receivable holding period level of 4.00 months in financial year 2018-19 against 3.5 months in financial year 2016-17 which is slightly higher than previous financial year's holding period levels as we are expecting to allow more lenient credit period to our clients.
<b>Trade Payables</b>	In financial year 2018-19, we expect our payable's credit period to be 2.11 months as against 2.0 months in financial year 2016-17 as our company will strive to adhere to stricter credit policy to achieve better and favourable pricing terms and to ensure continued relations with the existing suppliers.

### III. TO FINANCE THE THE GENERAL CORPORATE PURPOSE.

The Net Proceeds will first be utilized towards the Objects set out above, as well as meeting the Issue-related expenses. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds of Rs. [•] Lacs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time. We confirm that utilization for general corporate purposes will not exceed 25% of the Net Proceeds of the Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

- Strategic initiatives, including investments or acquisitions, from time to time;
- Brand building, promotional and outreach activities;
- Strengthening our infrastructure and systems and processes, in-house training initiatives, etc.;
- Repayment of present or future loans; and
- Ongoing general corporate purposes or exigencies, as approved by the Board, subject to compliance with applicable law.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

## ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] Lacs.

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees, Underwriting Fees selling commissions, brokerages, Payment to other intermediaries such as Legal Advisors, Registrars etc.	[●]*	[●]*	[●]*
Market Making Fees for three years	[●]*	[●]*	[●]*
Printing & Stationery, Distribution, Postage, etc.	[●]*	[●]*	[●]*
Advertisement & Marketing Expenses	[●]*	[●]*	[●]*
Regulatory & other expenses	[●]*	[●]*	[●]*
Miscellaneous Expenses	[●]*	[●]*	[●]*
<b>Total</b>	[●]*	[●]*	[●]*

**\* To be finalized on determination of Issue Price.**

**\*\*SCSBs will be entitled to a processing fee of Rs. [●]/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.**

**Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be [●] % on the Allotment Amount or Rs [●]/- whichever is less on the Applications wherein shares are allotted.**

**The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.**

**#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.**

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

The funds deployed up to 31<sup>st</sup> March, 2018 pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s. Rajesh Kukreja & Associates., Chartered Accountants pursuant to their certificate dated 23<sup>rd</sup> April, 2018 is given below:

Deployment of funds	Amount (Rs. In Lacs)
Issue Related Expenses	9.95
Object of the Issue	1057.20
<b>Total</b>	<b>1067.15</b>

Sources of funds	Amount (Rs. In Lacs)
Internal Accruals	1067.15
Bank Finance	-
<b>Total</b>	<b>1067.15</b>

## **BRIDGE FINANCING**

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may borrow such amounts, as may be required, from other lenders until the completion of the Issue. Further, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue. Any amount that is borrowed from lenders or drawn down from the overdraft arrangement / cash credit facility during this period to finance additional working capital needs will be repaid from the Net Proceeds of the Issue.

## **APPRAISAL BY APPRAISING AGENCY**

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

## **INTERIM USE OF FUNDS**

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

## **MONITORING UTILIZATION OF FUNDS**

As the size of the Issue does not exceed Rs. 10,000 lacs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations 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 Issue Proceeds for the objects stated in this Red Herring Prospectus.

## **CONFIRMATION REGARDING PURCHASE OF SECOND-HAND EQUIPMENT AND MACHINERY**

No second-hand equipment and machinery is proposed to be purchased by our Company from the Net Proceeds.

## **OTHER CONFIRMATIONS**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable.

## VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## BASIC TERMS OF THE ISSUE

The Equity Shares, now being issued, are subject to the terms and conditions of this Red Herring Prospectus, Application form, Confirmation of Allocation Note (CAN), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchanges, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable. In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

This Issue has been authorized by the Board of Directors pursuant to a board resolution dated 24<sup>th</sup> February, 2018 and by the shareholders of our Company pursuant to a special resolution dated 3<sup>rd</sup> March, 2018 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.

<b>Face Value</b>	Each Equity Share shall have the face value of Rs.10/- each.
<b>Issue Price</b>	Each Equity Share is being issued at a price of Rs. [●]/- each and is [●] time or [●] of the Face Value.
<b>Market and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is [●] ([●]) and the multiple of [●] subject to a minimum allotment of [●] Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the Issue price of Rs. 10/- shall be payable on Application. For more details please refer to Issue Procedure on page 262 of this Red herring Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of our Company and shall rank pari passu in all respects including dividends with the existing Equity Shares of our Company.

## MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level.

This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 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 of Rs. [●] per Equity Share has been determined by the Company in consultation with the BRLM on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

### QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price are:

- 1) **Experienced Promoters and a well trained employee base** - Our promoters Mr. Sanjay Agarwal, Mr. Apoorv Agarwal and Mr. Gurjit Singh Bains are experienced in our line of business. Our management and employee team combines expertise and experience to outline plans for the future development of the company. Since starting of operations, we have witnessed consistent and stable growth. Our Promoters have significant industry experience and has been instrumental in the consistent growth of our company. We believe that the knowledge and experience of our promoter and management will enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.
- 2) **Strong financial position** - We believe that our strong financial position will provide us with the financial flexibility to fund our growth and expansion and allow us to respond quickly and competitively to further capitalise on emerging opportunities in the market.
- 3) **Improving functional efficiency** - Our Company intends to improve operating efficiency to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer services.
- 4) **Established brand and image**- We are engaged in providing services to our clients and over the years, we believe that we have established ourselves as a reliable brand in India as well as outside India wherein our clients trust us for our quality, consistency and continuous performance.
- 5) **Agreements with renowned brands**: Our Company has signed an Exclusive Distributorship Agreement with SIRCA SPA ITALY for selling its product in India, Sri Lanka, Bangladesh and Nepal. We believe that we have established ourselves as a reliable brand in India as well as outside India wherein our clients trust us for our quality, consistency and continuous performance.

For further details, refer chapter titled “*Our Business*” beginning on page 123 of this Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2015, 2016 and 2017 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### I. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2015	5.02	1
March 31, 2016	5.92	2
March 31, 2017	11.14	3

Year ended	EPS (Rs.)	Weight
Weighted average	8.38	

\*Not annualised

Our Basic and Diluted Earnings per Share (EPS) for the Period Ended 31<sup>st</sup> December, 2017 based on restated financial statement is Rs.11.87

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- J. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

II. Price to Earnings (P/E) ratio in relation to Price Band of Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each fully paid up.

Particulars	P/E Ratio On Cap Price	P/E ratio On Floor Price
P/E ratio based on Basic EPS for FY 2016-17	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]
<b>*Industry P/E</b>		
Lowest		23.18
Highest		59.42
Average		41.30

\* Industry composite comprises data of M/s Hardcastle and Waud Manufacturing Company Ltd and M/s Berger Paints India Limited

### III. Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per restated financial statements.

Year Ended	RoNW (%)	Weight
March 31, 2015	47.05	1
March 31, 2016	35.74	2
March 31, 2017	40.26	3
<b>Weighted Average</b>	<b>39.89</b>	

Our Return on Net Worth (RoNW) for the Period Ended 31<sup>st</sup> December, 2017 based on restated financial statement is Rs.30.00%

- **Note:** The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

**IV. Minimum Return on Total Net Worth post issue needed to maintain Pre Issue EPS for the year ended March 31, 2017**

Particulars	Amount (In Rs.)
At Floor Price	[●]
At Cap Price	[●]

**V. Net Asset Value per Equity Shares (NAV)**

Particulars	Amount (In Rs.)
Net Asset Value per Equity Share as of March 31, 2017	27.67
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

*Our Net Asset Value per Equity Share for the Period Ended 31<sup>st</sup> December, 2017 based on restated financial statement is Rs. 39.31.*

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.

Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

**VI. Comparison with other listed companies**

***For the year ended on March 31, 2017***

Companies	EPS	PE Ratio	RoNW %	NAV (Per Share)	Face Value (Rs. Per share)	Total Income (Rs. In Lacs)	PAT (Profit for the year) (Rs. In Lacs)
Sirca Paints India Limited	11.14	2.48	40.26	27.67	10.00	8,434.17	1,370.34
<b>Peer Group*</b>							
Kansai Nerolac Paints Ltd	9.39	40.25	17.87	52.06	1.00	4,62,927.00	50,594.00
Asian Paints Ltd	18.80	58.04	27.94	144.93	1.00	14,66,133.00	1,94,214.00

Source: bseindia.com and Annual Report for the year ended March 31, 2017 and for calculating PE ratio, closing market price as on 31.03.2017 or latest trading date prior to 31.03.2017 is considered.

The Company in consultation with the Book Running Lead Managers and after considering various valuation fundamentals including Book Value and other relevant factors, believes that Issue price of Rs. [●] per Equity Share for the Public Issue is justified in view of the above parameters.

For further details refer to the section titled **“Risk Factors”** beginning on page 13 and the financials of the Company including profitability and return ratios, as set out in the section titled **“Financial Statements”** beginning on page 183 of this Red Herring Prospectus for a more informed view.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
Sirca Paints India Limited  
504, NDM 2, Netaji Subhash Place Wazirpur, Pitampura,  
Delhi-110034

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

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

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

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

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

**For M/s. Rajesh Kukreja & Associates.**

**Chartered Accountants**

Firm Registration No.- 004254N

Sd/-

**Rajesh Kukreja**

**Membership No. - 083496**

Place: New Delhi

Date: 06.03.2018

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

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

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

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

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

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

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

Note:

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

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

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

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

## SECTION IV

### ABOUT OUR COMPANY

#### INDUSTRY OVERVIEW

*The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.*

*Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled Risk Factors and Financial Statements and related notes beginning on page 13 and 183 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.*

#### INDUSTRY OVERVIEW

##### GLOBAL PROSPECTS AND POLICIES

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Over the medium term, global growth is projected to decline to about 3.7 percent. Once the cyclical upswing and US fiscal stimulus have run their course, prospects for advanced economies remain subdued, given their slow potential growth. In emerging market and developing economies, in contrast, growth will remain close to its 2018-19 level as the gradual recovery in commodity exporters and a projected increase in India's growth provide some offset to China's gradual slowdown and emerging Europe's return to its lower-trend growth rate. Nevertheless, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps vis-à-vis the group of more prosperous countries.

Despite strong aggregate figures in the baseline forecast and buoyant market sentiment, the current momentum is not assured. Upside and downside risks are broadly balanced over the next several quarters, but risks farther down the road are skewed to the downside. With still-easy financial conditions and persistently low inflation that has required protracted monetary policy accommodation, a potential further buildup of financial vulnerabilities could give way to rapid tightening of global financial conditions, denting confidence and growth. The support to growth that comes from procyclical policies, including in the United States, will eventually need to be reversed. Other risks include a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife.

The current favorable juncture offers a window to enact policies and reforms that protect the upswing and raise medium-term growth to the benefit of all—strengthening the potential for higher and more inclusive growth,



building buffers that will help deal more effectively with the next downturn, improving financial resilience to contain financial market risks, and fostering international cooperation.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018#Chapter%201>)

## RECENT DEVELOPMENTS AND PROSPECTS

### An Investment-Led Pickup in Growth

At 3.8 percent, global growth last year was ½ percentage point faster than in 2016 and the strongest since 2011. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year (the highest share of countries experiencing a year-over-year growth pickup since 2010). The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO), with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies.

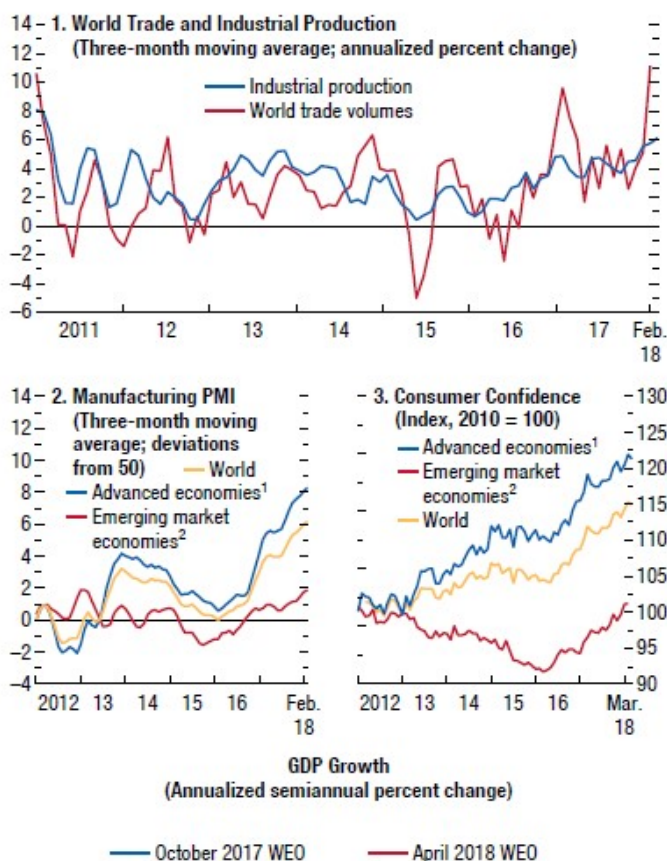
Resurgent investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging market and developing economies were important drivers of the uptick in global GDP growth and manufacturing activity (Figures 1.1-1.3).

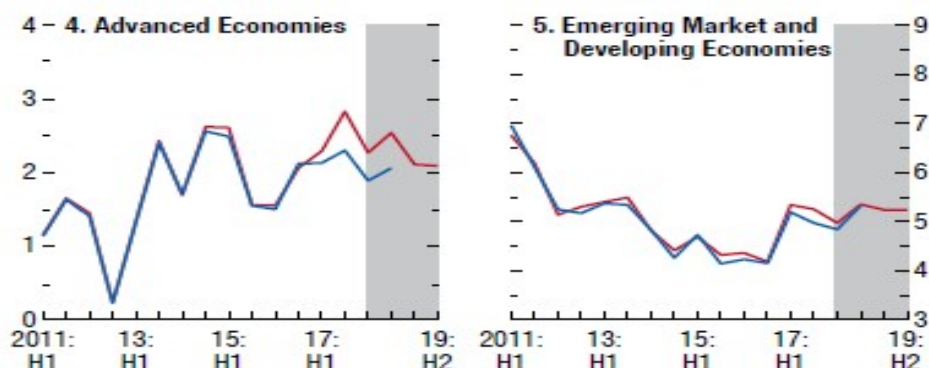
- Across advanced economies, the 0.6 percentage point pickup in 2017 growth relative to 2016 is explained almost entirely by investment spending, which remained weak since the 2008-09 global financial crisis and was particularly subdued in 2016 (Figure 1.2, left column). Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

- Across emerging market and developing economies, the 0.4 percentage point pickup in 2017 growth came primarily from an acceleration in private consumption (Figure 1.2, right column). But the picture is mixed within the group. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed. An end to fixed investment contractions in commodity-exporting countries that were severely affected by the commodity price downturn during 2015-16 (notably Brazil and Russia, but also Angola, Ecuador, and Nigeria) instead played an important role in their growth pickup in 2017. Higher fixed investment growth (2.3 percentage points above its 2016 level) also supported the growth performance of other emerging market and developing economies, alongside stronger private consumption.

**Figure 1.1. Global Activity Indicators**

Global growth surprised on the upside in the second half of 2017 amid strengthening industrial production and trade.





Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff estimates.

Note: CC = consumer confidence; PMI = purchasing managers' index;

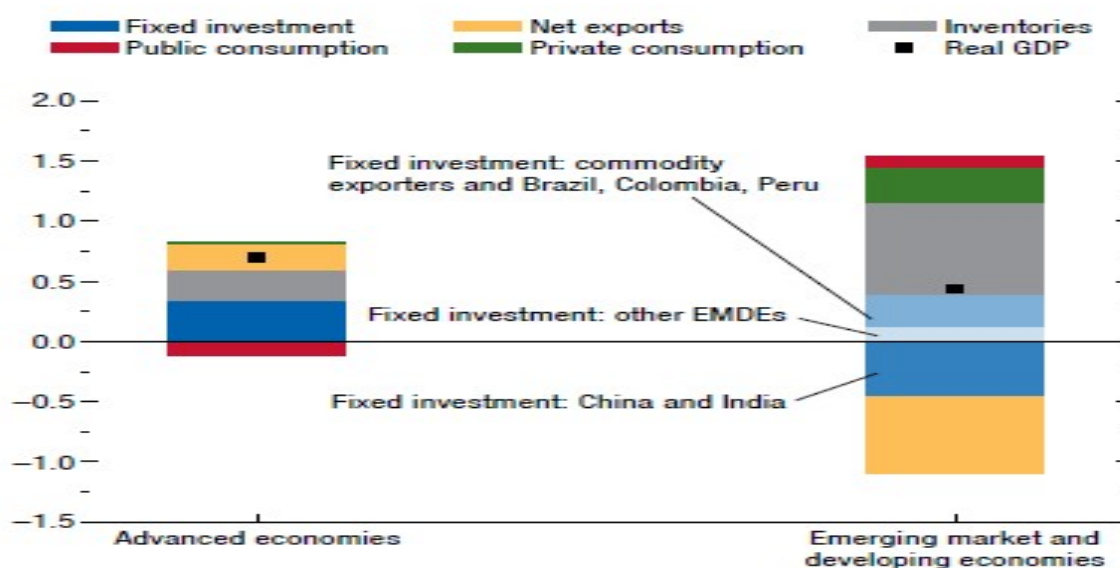
WEO = *World Economic Outlook*.

<sup>1</sup>Australia, Canada (PMI only), Czech Republic, Denmark, euro area, Hong Kong SAR (CC only), Israel, Japan, Korea, New Zealand (PMI only), Norway (CC only), Singapore (PMI only), Sweden (CC only), Switzerland, Taiwan Province of China, United Kingdom, United States.

<sup>2</sup>Argentina (CC only), Brazil, China, Colombia (CC only), Hungary, India (PMI only), Indonesia, Latvia (CC only), Malaysia (PMI only), Mexico (PMI only), Philippines (CC only), Poland, Russia, South Africa, Thailand (CC only), Turkey, Ukraine (CC only).

**Figure 1.2. Contributions to the Change in Real GDP Growth, 2016–17**  
(Percentage points)

Stronger investment spending in advanced economies and an end to fixed investment contractions in commodity exporters were important contributors to the pickup in global growth.



Source: IMF staff calculations.

Note: EMDEs = emerging market and developing economies.

## A Cyclical Rebound in Global Trade

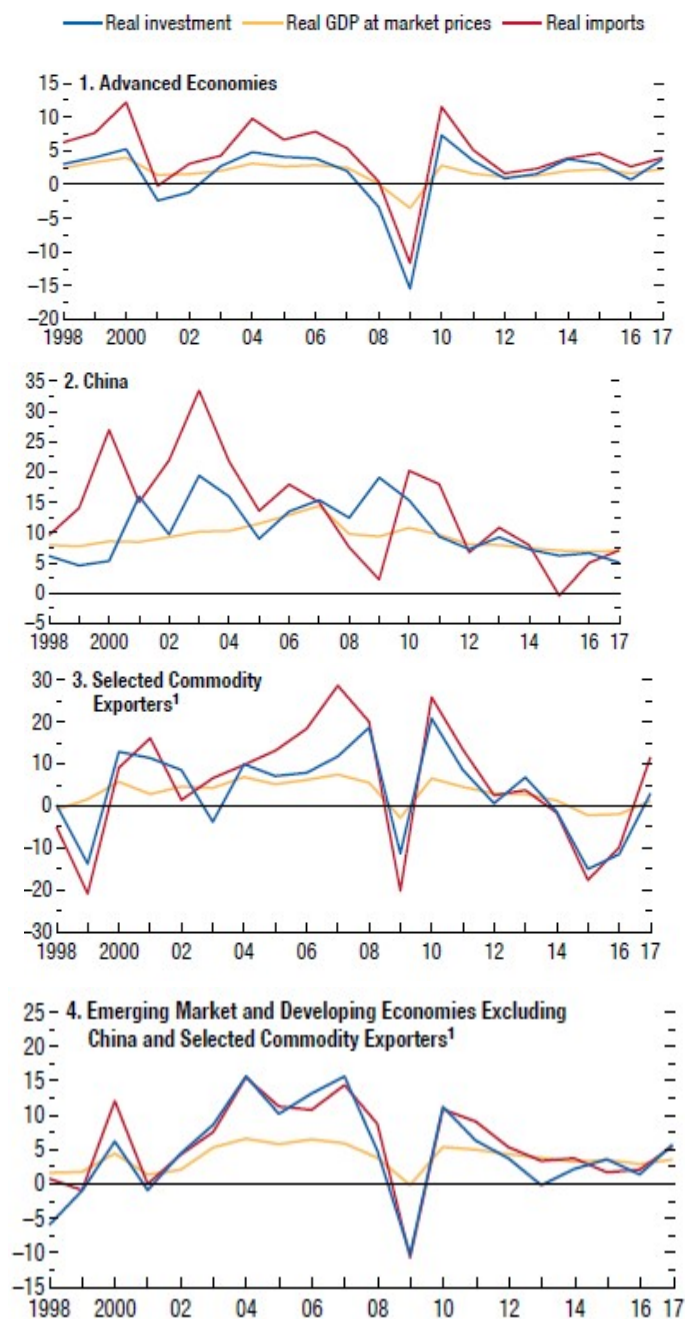
Global trade—which tends to be highly correlated with global investment (see Figure 1.3 and Chapter 2 of the October 2016 WEO)—recovered strongly in 2017 after two years of weakness, to an estimated real growth rate of 4.9 percent. The upsurge was more pronounced in emerging market and developing economies (with trade growth rising from 2.2 percent in 2016 to 6.4 percent in 2017), reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand more generally.

Among advanced economies, large exporters, such as Germany, Japan, the United Kingdom, and the United States, contributed strongly to the recovery in exports (Figure 1.4, panel 1), while the recovery in imports was broad based, except in the United Kingdom (Figure 1.4, panel 2).

Among emerging market and developing economies, as shown in Figure 1.4, panel 3, the rebound in export growth was particularly strong in emerging Asia, especially China.<sup>1</sup> In contrast, the rebound in imports largely reflects an import recovery among commodity exporters—countries that had earlier experienced sharp investment and import contractions during the 2015-16 commodity price downturn. This is shown in Figure 1.4, panel 4: the blue bars represent commodity exporters that had a particularly pronounced cycle in imports (Angola, Brazil, Ecuador, Nigeria, Russia); the green bars represent remaining commodity exporters, which account for an important part of the import demand cycle among other emerging market and developing economies.

**Figure 1.3. Global Investment and Trade**  
(Percent change)

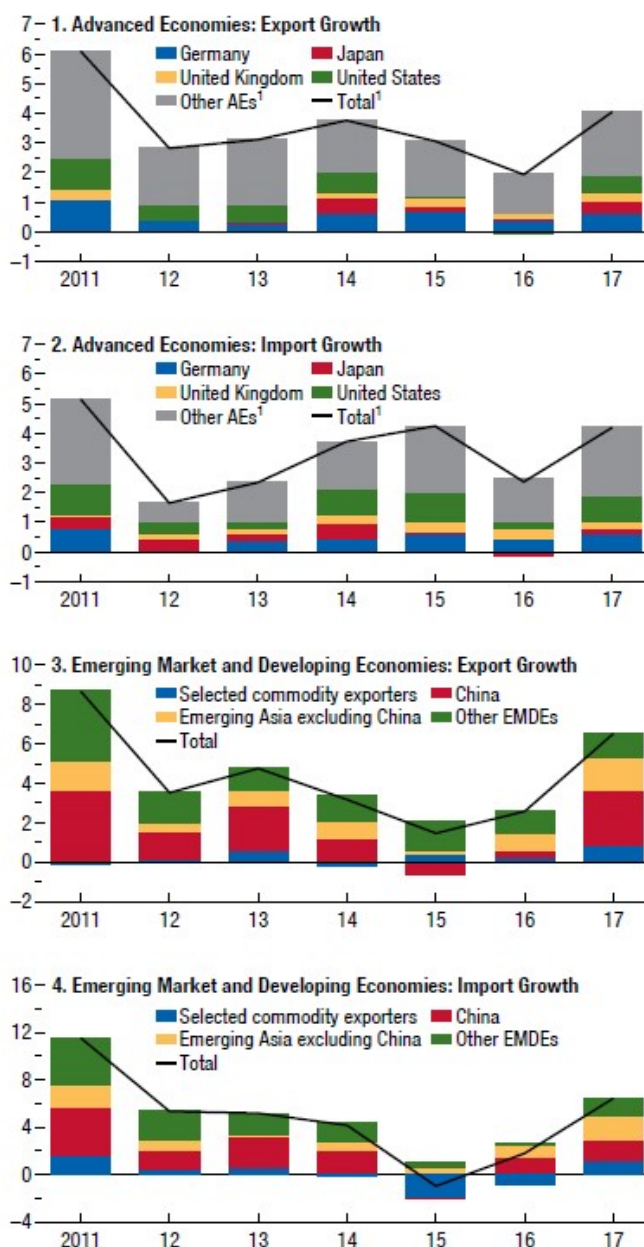
Global trade recovered strongly in 2017 after two years of weakness as investment spending picked up.





**Figure 1.4. Contributions to Trade Growth**  
(Percent)

The trade recovery was particularly pronounced in emerging market and developing economies.



Source: IMF staff calculations.

Note: Trade growth reflects export and import volumes from external sector data. AEs = advanced economies; EMDEs = emerging market and developing economies; selected commodity exporters = Angola, Brazil, Ecuador, Nigeria, Russia.

<sup>1</sup>Excludes Ireland.

## Rising Commodity Prices

The IMF's Primary Commodities Price Index rose 16.9 percent between August 2017 and February 2018—that is, between the reference periods for the October 2017 WEO and the current report (Figure 1.5). As described in the Commodities Special Feature, the increase was driven primarily by rising oil and natural gas prices. Among the other subindices, metals and agricultural commodity prices also rose, although less rapidly than energy prices.

- Oil prices increased to more than \$65 a barrel in January, the highest level since 2015, following unplanned outages on the US Gulf Coast and in Libya, the North Sea, and Venezuela; an extension to the end of 2018 of the Organization of the Petroleum Exporting Countries agreement on production targets; and stronger global economic growth. Prices moderated to \$63 a barrel in February, 27 percent above their August level.

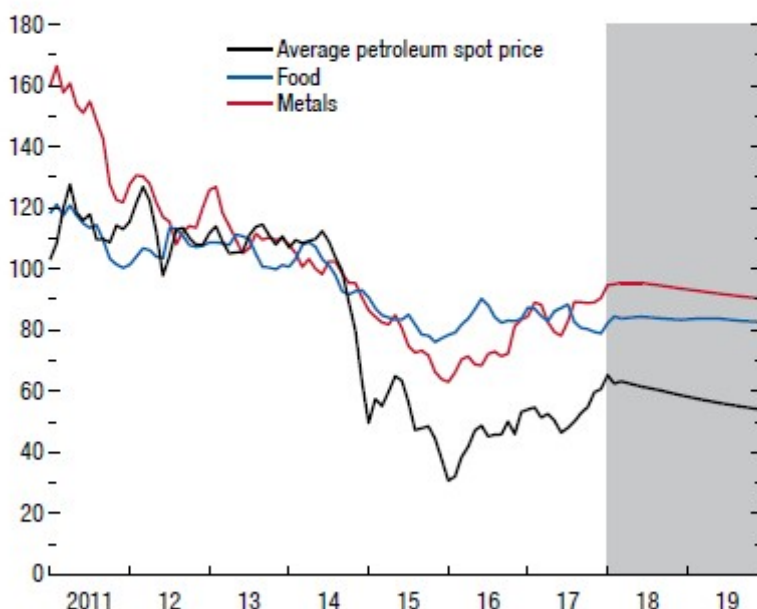
- The natural gas price index—an average for Europe, Japan, and the United States—rose sharply, by 45 percent from August 2017 to February 2018, reflecting seasonal factors. Strong demand for liquefied natural gas (LNG) in China, where the government has restricted the use of coal to mitigate air pollution, helped drive the spot LNG price to its highest level in three years. Higher oil prices also added upward pressure in countries where oil-linked pricing is more common.

- Metal prices increased 8.3 percent from August to February, in line with stronger growth in all major economies. Demand for base metals—especially aluminum—was strong, while supply was limited in part due to China's production capacity cuts. Iron ore prices rose 4.1 percent from August to February, rallying recently thanks to strong steel prices and

- The IMF's agricultural price index rose 4.1 percent from August 2017 to February 2018, as unfavorable weather conditions in recent months are expected to reduce this year's harvests of many grains and oilseeds. The subindices of food and agricultural raw materials rose 4.1 percent and 6.0 percent, respectively.

**Figure 1.5. Commodity and Oil Prices**  
(Deflated using US consumer price index; index, 2014 = 100)

Commodity prices, notably of oil and natural gas, have risen since the fall, but the medium-term outlook remains subdued.



Sources: IMF, Primary Commodity Price System; and IMF staff estimates.

## Indian Economy Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

### Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

## Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.
- India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four month low of 4.4 per cent in February 2018.
- Employment on net basis in eight key sectors in India including manufacturing, IT and transport increased by 136,000 in July-September quarter of 2017-18.
- The average salary hike of Indian employees is estimated to be 9.4 per cent and that of key talents is estimated to be nearly 15.4 per cent in 2018, backed by increased focus on performance by companies, according to Aon Hewitt.
- Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.
- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

## Government Initiatives

The Union Budget for 2018-19 was announced by Mr Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of Rs 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US\$ 93.85 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors.

India's unemployment rate is expected to be 3.5 per cent in 2018, according to the International Labour Organisation (ILO).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

## Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

*(Source: <https://www.ibef.org/economy/indian-economy-overview>)*

## Indian Paint Industry-An overview

The Paints & Allied Industry which has been exempted from compulsory licensing, mainly consists of paints, enamels, varnishes, pigments, printing inks, etc. These play a vital role in the economy by way of protecting national assets from corrosion. These items are manufactured both in the organized sector and small scale sector. The production of Paints of all kinds and Printing Ink during 2015-16 was 7,98,715.22 tonnes and 2,29,693.88 tonnes respectively. During the April, 2016 to October, 2016, the production of these products has been 500,720.34 tonnes and 1,41,532.50 tonnes respectively.

*(Source: Department of Industrial Policy and Promotion, [www.dipp.nic.in](http://www.dipp.nic.in) -Annual Report 2016-17)*

The Indian paint industry has been growing constantly over the last decade. Growth has been consistent with the GDP growth rate and in some years even higher. Over the past few years, the Indian paint market has substantially grown and caught the attention of many international players. The country continues to enjoy a



healthy growth rate compared to other economies, backed by the increasing level of disposable income, and demand from infrastructure, industrial and automotive sectors. Indian paints industry by value and volume, is expected to grow at a CAGR (Compounded Annual Growth Rate) of around 12% during 2016-17 to 2021-22 in value terms.

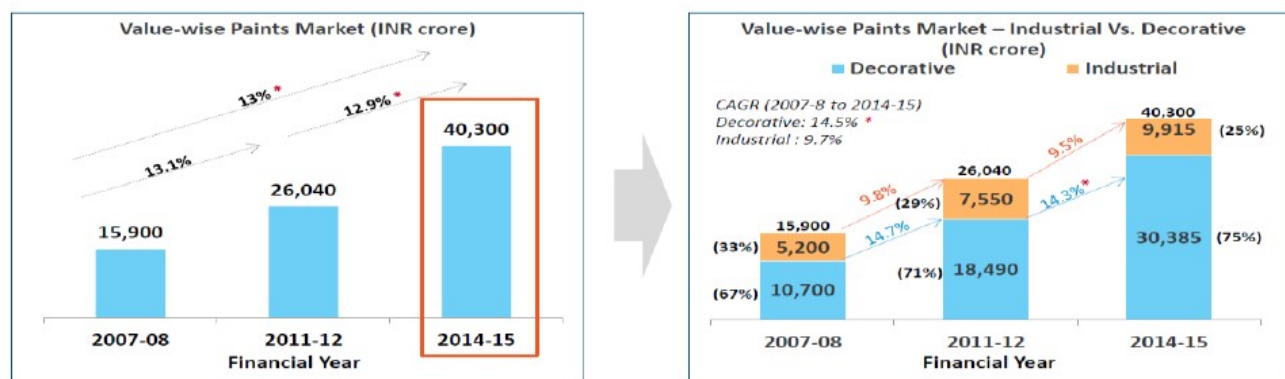
The Indian paint industry has been witnessing a gradual shift in the preferences of people from the traditional whitewash to higher quality paints like emulsions and enamel paints, which is providing the basic stability for growth of Indian paint industry. Besides, it is creating a strong competitive market, where players are utilizing different strategies to tap the growing demand in the market for a larger share.

Decorative Paints account for a major part of the industry. The main drivers for the growth of this sector have been shortening of the repainting cycle and increased demand from smaller towns. Another important driver for demand of Decorative paints is the new homes backed by easy availability of finance.

Paint Industry in India is driven by growth not only in construction activities but also in automotive industry. Media exposure and innovative marketing initiatives by the players have also added impetus to increasing awareness about latest trends prevalent in the sector. Due to increased Government funding for infrastructure, paint industry is poised for growth. A further analysis of key drivers and challenges of the market indicate the factors for growth of the market including boom in real estate construction, growth in industrial sector, growth in automobile industry, increase in disposable income, increased government expenditure on infrastructure.

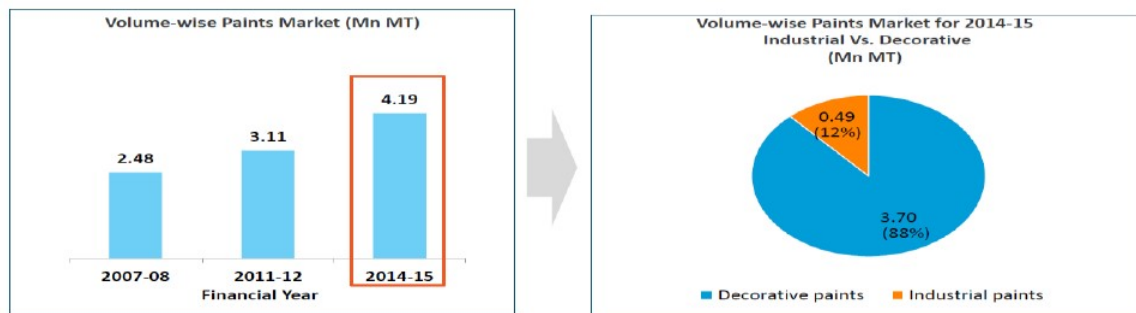
The paint sector in India is facing certain challenges. Factors like rising input prices and stringent environmental regulations pose a barrier for growth. The paint sector is raw material intensive, with over 300 raw-materials (50% petro-based derivatives) involved in the manufacturing process. Since most of the raw materials are petroleum based, the industry is sensitive to crude oil prices. Another concern is that the demand for paint, being a discretionary expenditure, is typically hurt during periods of inflation.

The Indian paint industry in terms of value increased to Rs. 40,300 crore in financial year 2014-15 as compared to Rs. 26,040 crore in financial year 2011-12, representing, Compounded Annual Growth Rate (CAGR) of 12.9% during period 2011-12 to 2014-15 (excluding wall cement putty figures). The share of decorative paint is 75% and share of industrial paint is 25% in financial Year 2014-15.



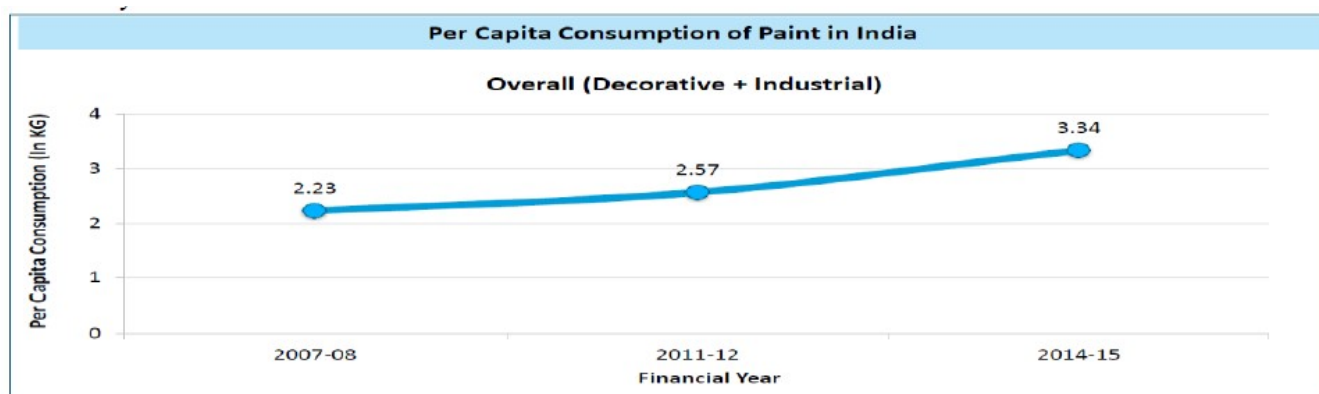
(Source: AC Nielsen Report on Market Study on Paint Industry in India” issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

In terms of volume, the size of Indian paint industry was 4.19 Million MT in financial year 2014-15 as compared to 3.11 Million MT in financial year 2011-12,.The share of decorative paint is 3.70 Million MT and share of industrial paint is 0.49 Million MT in the financial year 2014-15.Further, decorative to industrial ratio in terms of volume is 88: 12 for financial year 2014-15.



(Source: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

The per capita consumption of paint in India is 3.34 kg in financial year 2014-15 as compared to 2.57 kg in financial year 2011-12.



(Source: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

## Segments

Paint industry is classified into two broad categories viz., Decorative and Industrial. While decorative paints constitute 74% share of the market sales, industrial paints constitute 26% share, with others being negligible;

**Decorative Paint**, include higher end acrylic exterior and interior emulsions, medium range exterior and interior paints, low end distempers, wall putty, wood coatings, cement paints, primers, thinners and putties - accounting for over 74% of the paint market in India and growing at a faster pace than Industrial paints. These are either water based or solvent based. Water based paints (or emulsions) are increasingly preferred by customers because of better aesthetics, durability and environmental reasons. The list of products in the decorative paints segment includes Enamel, Exterior Emulsion, Interior Emulsion, Putty, Distemper, Primer and Thinner, Wood Coatings and Cement Paint

**Emulsion (Interior and Exterior)** contribute to the highest category share, in terms of value, in decorative paints, while in terms of volume, putty contributed to high category share of the decorative paints, though its category share in terms of value is much less

**Industrial Paints**, essentially comprise general industrial, automotive, protective and powder coatings. In addition to the above, Indian paint companies are also present other segments such as automotive coatings, coil coatings, can coatings, marine coatings, wood coating etc. Some companies also manufacture certain key raw material

chemicals in-house. The list of products in the Industrial paints segment includes Protective, Auto OEM, Auto Refinish, Powder Coating, GI Paints, Coil Coating, Can Coating, Marine and others.

**Protective paints** have the highest category share of industrial paints in terms of value, followed by the auto OEM segment, while the powder coating comprises the highest in terms of volume.

## Industry Structure

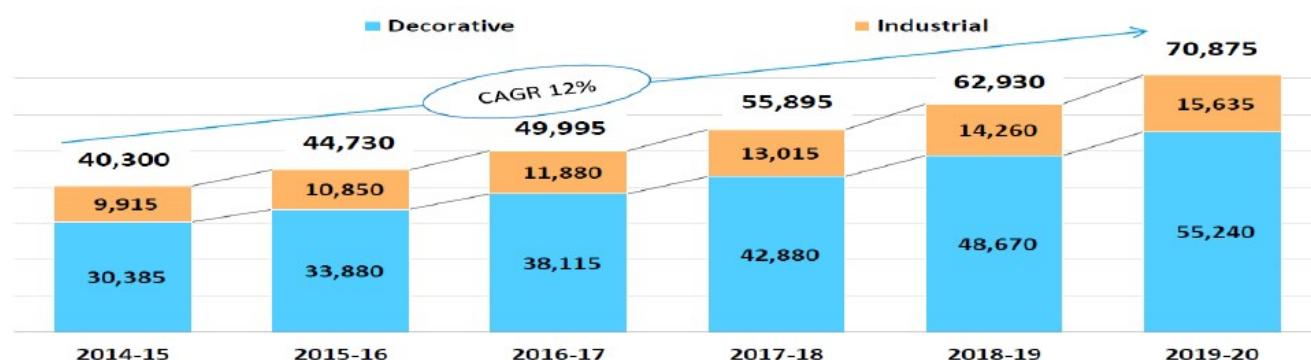
**Organized Sector**, top organized players include Asian Paints, Kansai Nerolac, Berger Paints, Akzo Nobel and Shalimar Paints. They control most of the market.

**Unorganized Sector**, in the unorganized segment there are about 2,000 units having small and medium sized paint manufacturing plants

Going forward with further clarity around timelines and effectiveness of GST rollout from the Government, it is likely expected that there shall be an accelerated shift from the unorganised to the organised market in the paint industry. The Companies shall be able to make their distribution networks more efficient thereby reducing the freight costs.

## Future Aspects

Indian paint industry is expected to grow from the current level of about Rs. 55,895 crore to about Rs.70,875 crore by the financial year 2019-20 with double-digit compounded annual growth rate (CAGR) of about 12% per financial year. The industrial paint market and decorative paint market is expected to witness a CAGR of 9.5% and 12.7% respectively.



(Source: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

The ASSOCHAM, in its recent report on "Indian paint Industry: 2014" reveals that India is the second-largest consumer of paint in Asia.

"The Indian paint industry has seen a gradual shift in the preferences of people from the traditional white wash to higher quality paints like emulsions and enamel paints", said Mr. D S Rawat, Secretary General ASSOCHAM.

As per the ASSOCHAM findings, the rural market has grown at a rate of around 20% a year (in financial year 2014). Increase in sales outside metros, as rural India's incremental consumption expenditure is witnessing a handsome growth.

The rural sector has a major share of the decorative paints segment. Thus, any benefit to the rural sector for improving the dispensable income is directly co-related to the growth of the paint industry. Besides,

decorative paints are marketing savvy products backed by large advertisement campaigns and dealership networks.

(Source: <http://assocham.org/newsdetail.php?id=4670>)

### Factors Influencing Consumers Behavior

**Distribution:** Sales of decorative paints requires extensive dealer networks, especially in the rural and semi-urban markets; hence a strong supply chain and pan-India distribution presence is essential for making product successful.

**Product portfolio:** It is essential for paints companies to have a judicious mix of targeted products for its core customer along with a complete product portfolio across product categories and price points for the entire customer universe.

**Brand:** Paints are becoming a high involvement purchase for the end use consumer; hence the brand plays a key role in determining his choice, both for new construction and repainting activities.

### Motivating Factors/ Growth Drivers of Indian Paint Industry

**Increasing Urbanization:** Urbanization has resulted in a shift from temporary house to permanent houses. People opting for permanent house in urban areas are looking for well-designed interior and exterior aspect. As a result this calls for more houses being painted using medium and premium paints. Interiors are becoming a matter of style statement for the people residing in urban areas and thus an increase in the per capita consumption of paint is witnessed. The overall demand of the paint is also driven by such behavioral attribute of people.

Increase in urbanisation to 32.7% in 2015

Year	Growth Rate
2001	27.8%
2011	31.2%
2015	32.7%

(Source: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

**Increasing level of income:** There has been considerable rise in the proportion of young population. Also increasing trend in the disposable income has been witnessed which is leading to a change in consumer habits. The Indian economy is shifting from a savings economy to a spending economy. With more income at disposal people are opting for better products and paint is no exception.

**Availability of financing options:** Easy financing is available for housing and automobile. This is expected to favour more people to buy houses and travel in personal vehicles. This in turn drives the growth of housing and automobile sector for which paint industry get its share.

**Increasing share of organized sector:** There has been considerable decrease in taxes on raw materials. This has helped improve the status and position of the organized players. The organized sector is expanding and its distribution network is growing. The adoption of installing tinting machines at retail outlets has helped the sector grow at a much faster rate. These tinting machines offer a wide variety of color shade options to choose from. The unorganized players on the other hand are unable to provide such facility as they face capital crunch.

**Growth of Realty, Automobile and Infrastructure sector:** Paint industry is highly dependent on development of realty and housing sector. For the total paint demand, over 75% is generated from the decorative segment.

Automobile segment generates over 35% of demand of industrial paint. Infrastructure segment creates direct and indirect demand for paints through supporting the growth of the realty, automobile, FMCG and other industries where paint is used. The growth potential in the 3 sectors is immense and paint industry being dependent on these is expected to show strong growth.

**Increasing Penetration in the Rural Markets:** Distemper segment is the primary product used in rural areas. Thus it is dominated by the unorganized players. Demand is dependent on agriculture which again is dependent on the monsoons. Development of irrigation helped in reducing the dependence on monsoon. Thus, with the modernization of agriculture and accompanying development of rural India, consumer preferences are expected to improve.

## Key Challenges

Some of the prominent challenges for Indian paint industry are:

**Seasonal Demand:** Paint Industry is a seasonal industry. The demand shoots up during the Diwali season or other festive seasons and it will be low in the rainy season.

**Inventory Management at Dealer Level:** The product differentiation is minimal in paint industry. The very close substitutes are readily available. Hence the inventory management at the dealer level is of a prime importance. It is also important for brand visibility and occupying the shelf space.

**Shade Offerings:** As the shades offered by the paints companies are very high in number, the problem of distribution becomes very significant. The demand for a particular shade may peak up suddenly in a particular region. The inventory management at the distributor and dealer level is of great importance.

**Distribution Costs:** Distribution costs are important for a lower price product like Distemper. The Distemper is a stiff paint and is sold on weight basis. It is called as the “Bread and Butter” of the paint industry as the consumption is highest for this product. Hence, the cost associated with distribution of it is of prime importance.

**Low Per Capita Consumption:** The per capita paint consumption in India is in one of the lowest. This shows the lower penetration of the paint industry in the country. The paint companies have to educate the customers that they should go for the repainting of their houses frequently. This is a very unique feature of the industry that the Indian people will go for repainting either for some festival such as Diwali or occasions like Marriage or when the repainting is absolutely unavoidable.

**Competition from Unorganised and Small Players:** A critical challenge in the paints industry is the competition from unorganised and small players; who is not liable for excise as well as other taxes. This results in creating a level playing field between unorganized/small players and organised segments. In the unorganised segment, there are about 2,000 units having small and medium sized paint manufacturing plants.

Category	Definition	Number of Players	Characteristics
Very Large Players	Annual sales >INR 2000 crore	4	<ul style="list-style-type: none"> <li>- National presence</li> <li>- Own distribution network</li> </ul>
Large / Mid-size Players	Annual sales between INR 10 - 2000 crore	175	<ul style="list-style-type: none"> <li>- National / regional presence or present in more than 2 regions</li> <li>- Own distribution network.</li> <li>- A handful of players work as contract manufacturers for big players</li> </ul>
Small Players	Annual sales up to INR 10 crore	2250	<ul style="list-style-type: none"> <li>- Unorganised sector</li> <li>- Mostly manufacturing low-end industrial paints</li> </ul>

*(Source: AC Nielsen Report on Market Study on Paint Industry in India” issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)*



## PAINT INDUSTRY OUTLOOK BY RATING AGENCY

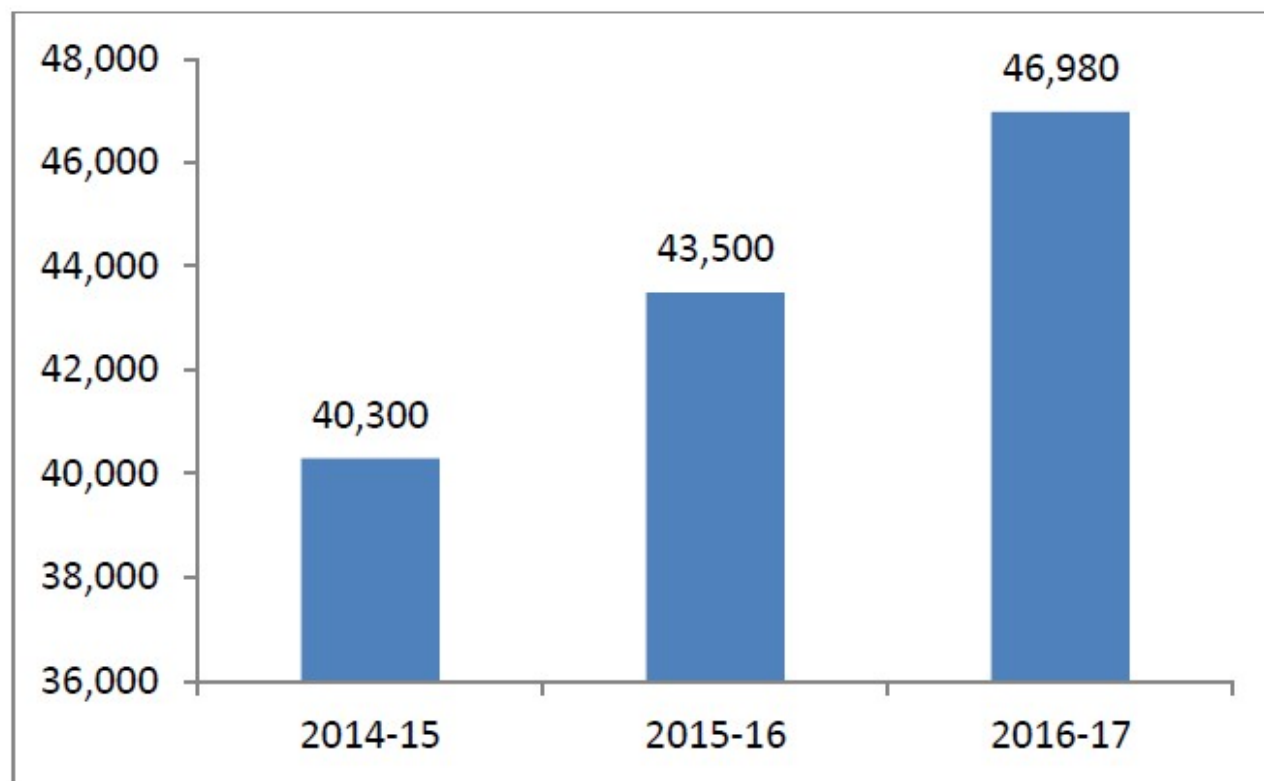
In the financial year 2016-17, value of the paints industry grew by 8% on a y-o-y basis. This was backed by an improvement in disposable income, rising urbanization, focus on housing, rural growth, rise in automotive segment, increasing trend of nuclear families etc. The growth of paints industry is dependent on the growth of its two segments, decorative and industrial. In the financial year 2017-18, factors such as roll out of Seventh Pay Commission, salary revisions by States, normal monsoon, schemes for affordable housing, expected improvement in industrial output and growth in automotive segment are likely to augur well for the paints industry. CARE Ratings thus expects paints industry to grow by 8-10% in 2017-18.

The profit margin of the industry increased by 300-450 basis points in 2015-16 supported by lower input costs. Crude oil derivatives and titanium dioxide are major inputs used in manufacturing of paints. In 2016-17, the industry however witnessed no major expansion in profit margins as increase in raw material expenses weighed on the margins.

While the outlook for demand remains positive for paints industry for 2017-18, concerns for the industry would remain on the raw materials front if the y-o-y growth in crude oil prices continues.

## Indian Paints Industry

**Chart 1: Value of paints industry (in Rs. crore)**

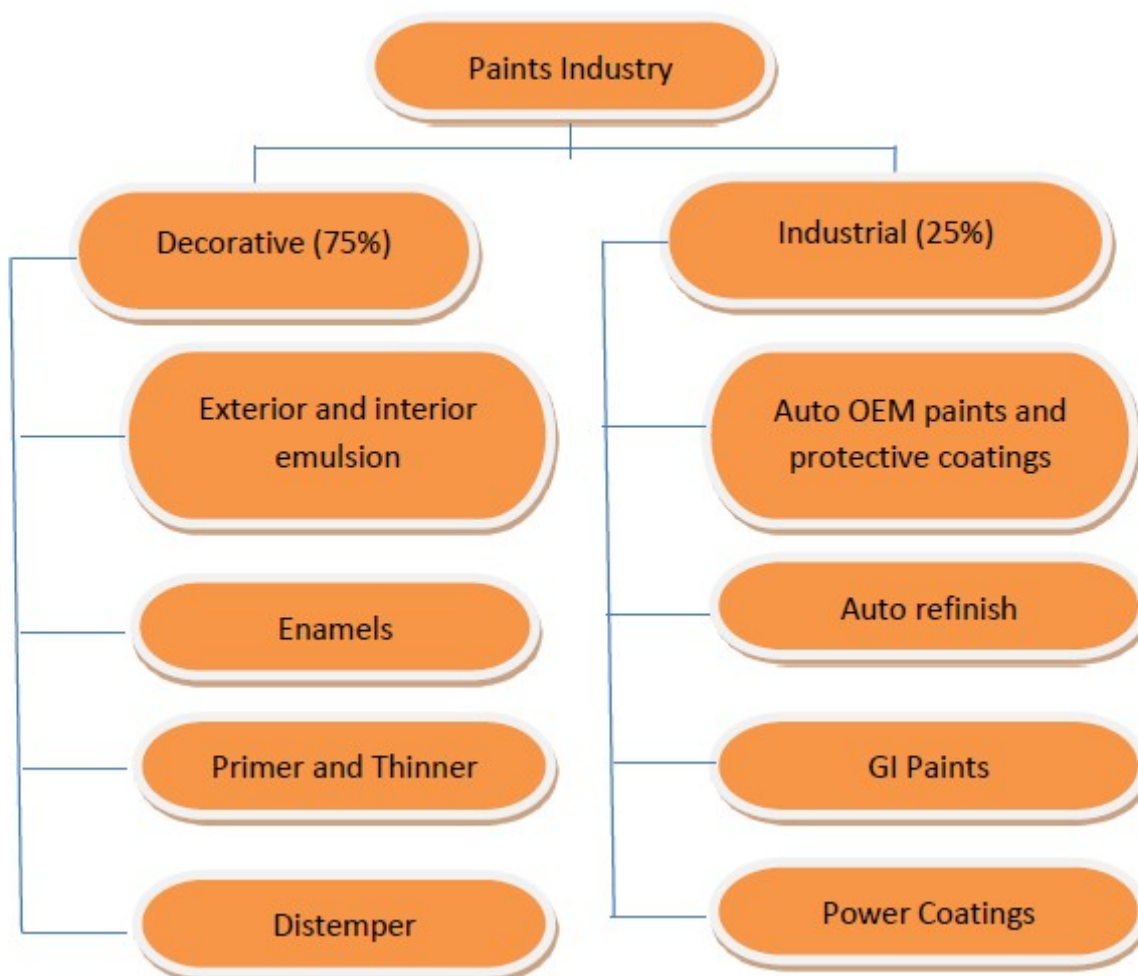


The paints industry in India grew at a CAGR of 12.9% from 2011-12 to 2014-15 to Rs.40,300 crore backed by an improvement in disposable income, rising urbanisation, rural growth, increasing trend of nuclear families, reduction in average repainting cycle on account of improvement in disposable income and lifestyle. The repainting cycle is now approximately 7-10 years compared to around 15 years earlier. These factors supported the industry's growth in 2015-16 and 2016-17 as well. In 2016-17, the industry's value grew by 8% on a y-o-y basis to Rs.46,980 crore.

### **Major segments of paints industry**

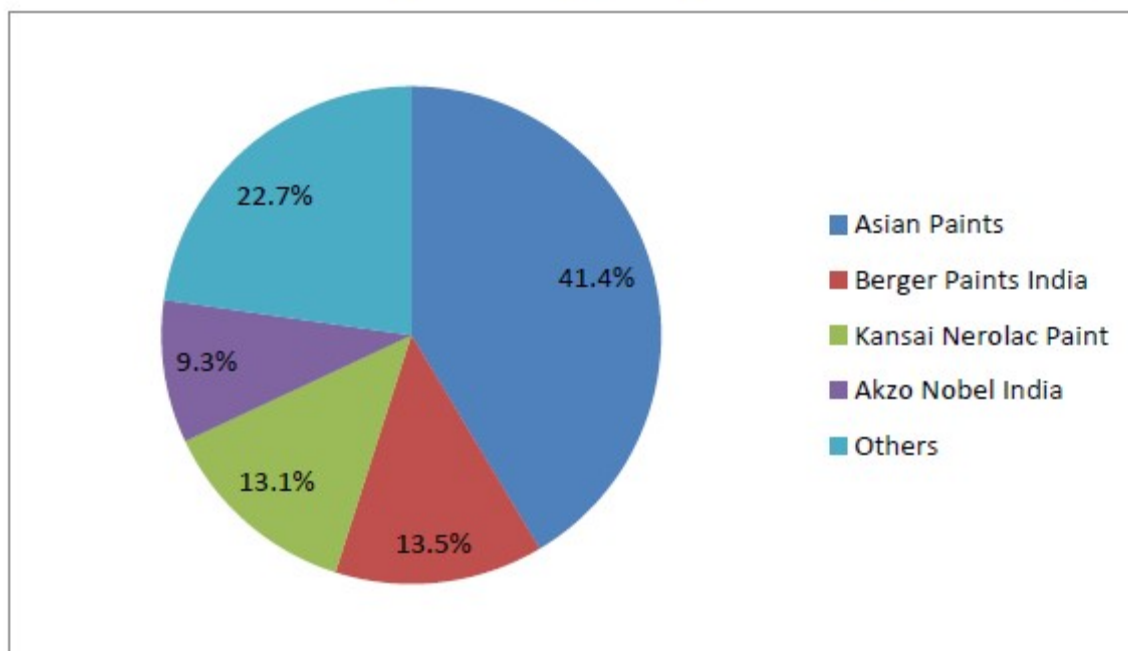
The paints industry is mainly divided into two segments - Decorative and Industrial. The decorative segment accounts for a major portion of the paint industry's value, around 75%, and the industrial segment accounts for the rest 25% of the industry's value.

**Chart 2: Structure of paints industry**





**Chart 3: Market share of top players in organised paints industry for 2016-17 (in %)**

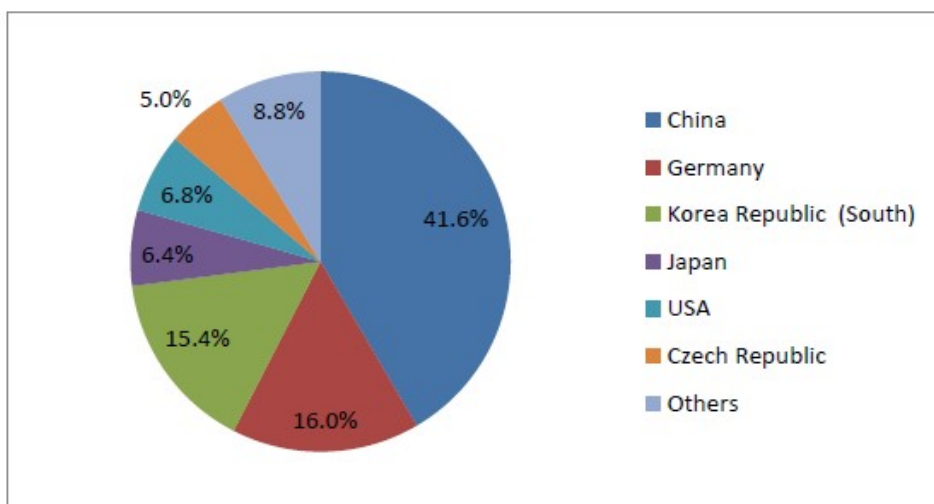


Around 80% of the organised market of paints industry is covered by the top players with the largest share of 41.4% held by Asian Paints followed by Berger Paints India, Kansai Nerolac Paint and Akzo Nobel India with a share of 13.5%, 13.1% and 9.3%, respectively, during 2016-17.

Among these players, Asian Paints is the market leader in the decorative paints segment while Kansai Nerolac Paint is the market leader in the industrial paints segment.

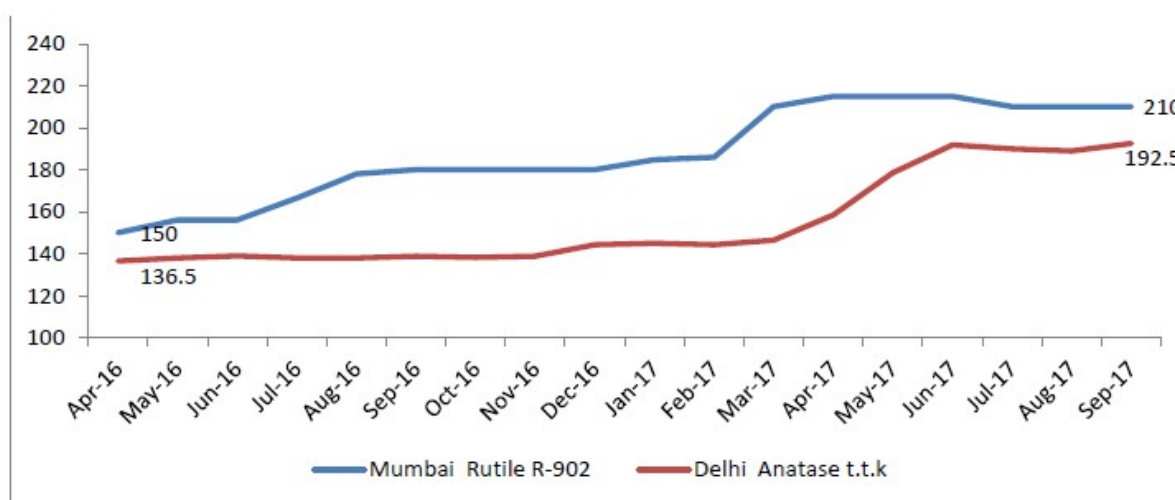
#### ***Imports of titanium dioxide***

**Chart 4: Country-wise quantity share of imports of titanium dioxide by India for 2016-17(in %)**



Most of the paint companies in India meet the requirements of titanium dioxide through imports. Of the total titanium dioxide quantity imported by India from various countries, China accounted for the largest share of 41.6% followed by Germany, Korea Republic (South) accounting for 16%, 15.4%, respectively, during the year 2016-17. India imported 13,901 tonnes of titanium dioxide in 2016-17.

**Chart 5: Rutile and anatase price movements in India (in Rs. /kg)**

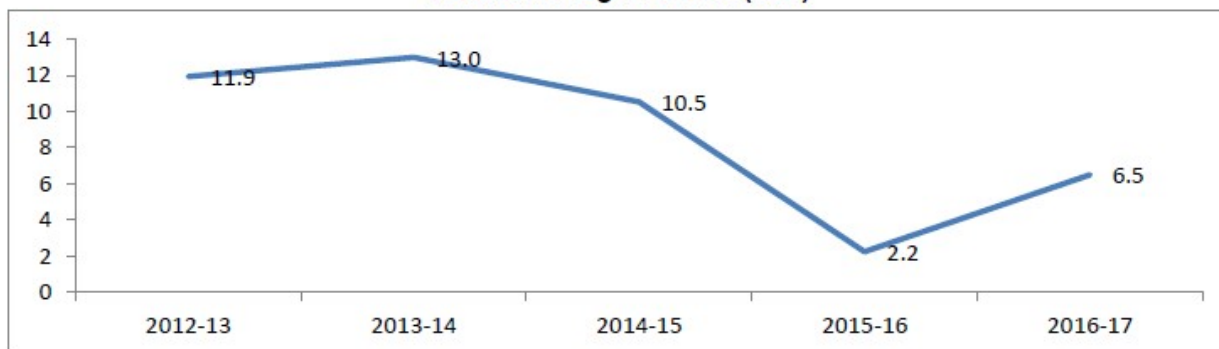


The prices of rutile in Mumbai remained in the range of Rs.150-Rs.186 per kg during the period April 2016-February 2017 and the prices of anatase were in the range of Rs.136-Rs.147 during the period April 2016-March 2017. On an m-o-m basis, the prices of rutile increased by 12.9% to Rs.210 per kg in March 2017 and that of anatase grew by 8.2% to Rs.158.5 per kg in April 2017. Prices for rutile then remained in the range of Rs.210-Rs.215 per kg during March-September 2017 and for anatase they were in the range of Rs.158-Rs.193 per kg during April-September 2017. Resultantly, the prices of rutile and anatase averaged 29.2% and 32.9% higher, respectively, during the period April-September 2017 on a y-o-y basis.

This increase in prices can be attributed to the growth in titanium dioxide prices in China from which India imported 41.6% of titanium dioxide during 2016-17. The prices in China grew on account of stricter regulations imposed by the government on production of titanium dioxide to control air pollution in the country.

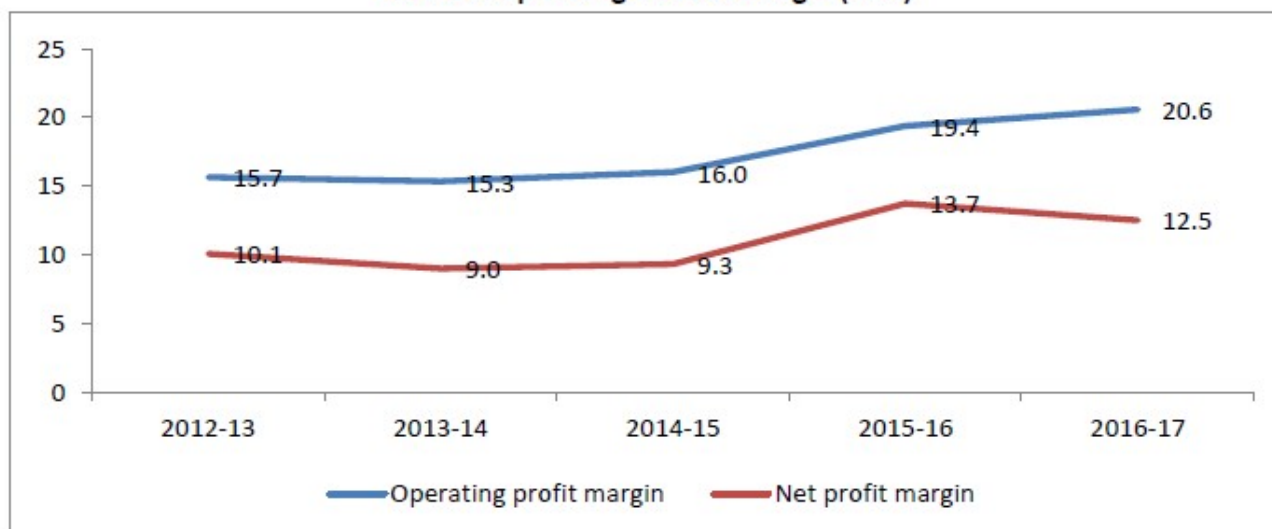
## Financials of the paints industry

**Chart 6: Sales growth rate (in %)**



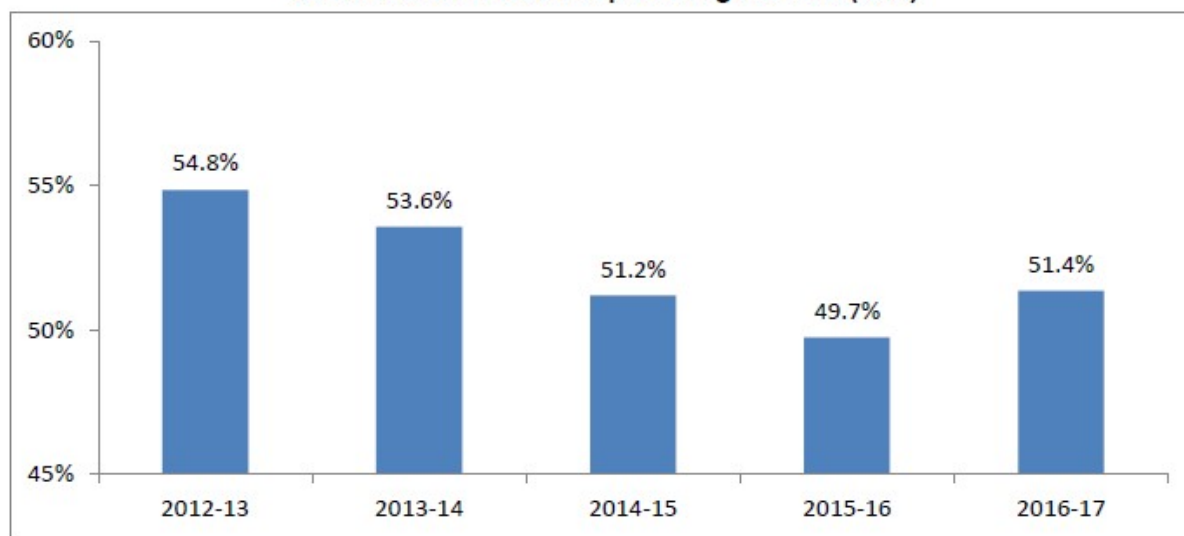
In the financial year 2016-17, sales of the 6 paint companies in our sample increased by 6.5% on a y-o-y basis compared to 2.2% growth reported by the industry in 2015-16. The increase in sales in 2016-17 was on account of various product-mixes offered by the industry. However, sales growth was impacted in second-half of the year due to demonetisation announced by the government in November 2016.

**Chart 7: Operating and net margin (in %)**



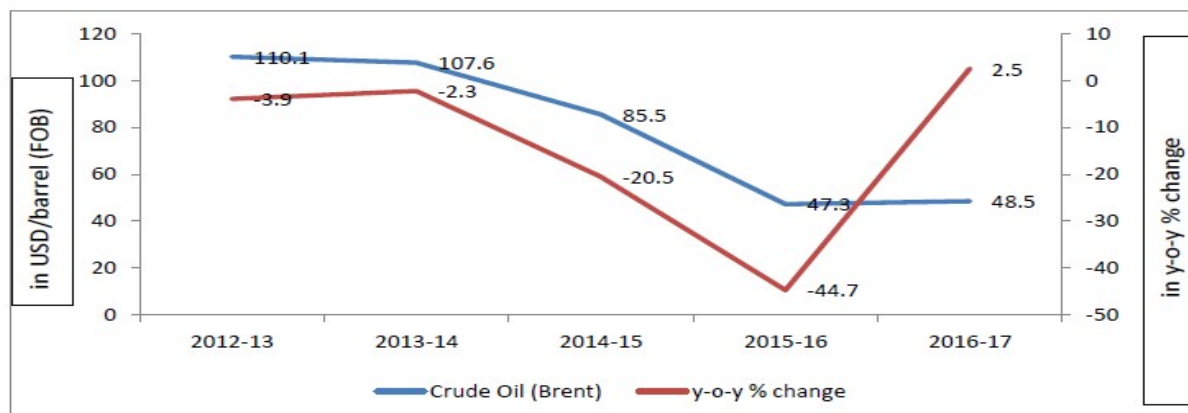
As seen from the above chart, the operating and net profit margin expanded by 300-450 basis points in 2015-16 on a y-o-y basis and the expansion in margins was maximum during the year among the years mentioned above. The expansion in profit margins was mainly on account of input costs as raw materials as percentage of sales dropped to 49.7% in 2015-16 from 51.2% in 2014-15.

**Chart 8: Raw materials as percentage of sales (in %)**



The drop in this ratio was primarily because of the decline in crude oil prices. The prices of crude oils were at multi-year low during the year 2015-16 as shown below. Many of the inputs used in the manufacturing of paints are crude oil derivatives that accounts for about 30-35% of the total raw materials cost of the industry.

**Chart 9: Prices of Crude oil (Brent) Europe**



The crude oil prices that ruled in the range of USD 107-115 per barrel during the financial years 2011-14 slumped to USD 85.5 per barrel in 2014-15 and declined to USD 47.3 per barrel in 2015-16. In fact, the Brent crude oil prices were at their lowest in 2015-16 when compared to the last 10 years. The fall in prices was due to global surplus oil production.

In the year 2016-17, no major expansion was seen in profit margins compared to the expansion witnessed in profit margins during 2015-16. An increase in raw material expenses is believed to have weighed on the margins. The prices of crude oil and titanium dioxide which were lower on a y-o-y basis in the initial months of the year 2016-17 increased on a y-o-y basis in later half of the year. Crude oil derivatives and titanium dioxide are major raw materials used in manufacturing of paints.

## Outlook

The implementation of GST is unlikely to have caused any major disturbances in demand for paints though it is believed to have resulted in de-stocking of paints. With GST, paints have been put under the highest tax rate slab of 28% compared to the earlier 24-27% taxes paid through excise, value added tax (VAT), entry taxes.

The paints industry is expected to rise by 8-10% in the financial year 2017-18 backed by a growth in its two segments, decorative and industrial. The roll out of Seventh Pay Commission and salary revisions by States is expected to result in increase in income thus supporting the demand for decorative paints. In addition to this, normal monsoon is likely to result in rural growth which, in turn, is expected to aid the consumption of decorative paints in rural areas. Also, the festive season is anticipated to support the demand for paints. Further, roll out of schemes like Housing for all and Pradhan Mantri Awas Yojna (PMAY) for affordable housing is also likely to help increase consumption of decorative paints going forward.

The demand for industrial paints is also likely to grow backed by an expected improvement in industrial output. In addition to this, CARE Ratings expects 10-12% growth in the two-wheeler segment (accounting for about 80% of the automobile industry's sales) which is also likely to augur well for the paints industry. The automotive segment drives the demand for industrial paints as it forms a significant component of industrial paints.

While the outlook for demand remains positive, concerns for paints industry would remain on the raw materials front if the y-o-y growth in crude oil prices continues. The Brent crude oil prices averaged at USD 50.9 per barrel during April-September 2017, implying a y-o-y increase of 11.5%.

(Source: <http://www.careratings.com/upload/NewsFiles/SplAnalysis/Paints%20Industry.pdf>)

## OUR BUSINESS

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

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the sections titled Risk Factors and Financial Information beginning on pages 13 and 183, respectively.*

### OVERVIEW

Our Company was originally incorporated at New Delhi as “Sircolor Wood Coatings Private Limited” on 19<sup>th</sup> January, 2006 under the provisions of the Companies Act, 1956. Thereafter, the Name of the Company was changed to “Sirca Paints India Private Limited” vide fresh certificate of incorporation dated 3<sup>rd</sup> May, 2017 issued by the Registrar of Companies, Delhi. Consequently, the name of the Company was changed to “Sirca Paints India Limited” vide fresh certificate of incorporation dated 17<sup>th</sup> January, 2018 issued by the Registrar of Companies, Delhi.

The Foundation of Our Company was laid down by Mr. Sanjay Agarwal, Mr. Apoorv Agarwal and Mr. Gurjit Singh Bains in the year 2006 with a vision to have a distinct global presence in Paint Industry by providing high quality coatings and technical assistance which leads to as healthy customer relationship. After establishment, Our Company started import of Polyurethane Polish (PU) products from Italy and wall paints & Abrasives from Korea and selling them in India as a first step of Journey.

Our Company is the first Company to launch wood filler in India and opened its wholly owned branches in Mumbai and Chennai.

Our Company is in marketing and trading/distributor of paints and allied products after repackaging the same. Our Company use to procure the products majorly from SIRCA SPA ITALY through Import and selling them in India through its Distributors. In additional, Our Company also procure the products (Thinner, Abresives and Buffing Cream) from other suppliers based in India. Except Thinner and Abresives which are purchased from domestic suppliers, all other 100% Purchases are made from Outside India and the products which are purchased from domestic suppliers and sold out in India Only.



*Our Company has entered into a Distributorship Contract dated 1<sup>st</sup> January, 2018 with SIRCA SPA ITALY wherein Our Company got the Exclusive Right to promote the sale of PU & Metal Coating under trademark SIRCA in the territory of India, Sri Lanka, Bangladesh and Nepal with a minimum turnover of EURO*

4,300,000 (Four Million three hundred thousands) and EURO 4,800,000 (Four million eight hundred thousand) to be achieved in the year 2018 and 2019 respectively.

Our Company has entered into a Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 with SIRCA S.P.A. Italy for manufacturing the following products that our Company is currently distributing under the Product Distribution Agreement. Pursuant to this agreement, Our Company is having an Exclusive Right to manufacture the following products in India, under the mark "SIRCA".

- Paints NC;
- Paints AC;
- Thinner;
- Polyurethane Products.

**Proposed Production Capacity:**

Presuming 300 operating days in a year and single Shift (12 Hours)-working basis, the production capacity of the unit is mfg. of 3000000 kgs of PU Thinner and 3600000 kgs of NC Lacquers 3600000 kgs of melamine and 2000000kgs of Polyurethane products per annum initially, which is likely to be increased in the subsequent years. Actual utilization is expected to be 25 % in 1st year, 40 % in 11nd year, 60 % in 111rd year and approx 75% and above in further years.

Our Managing Director, Mr. Sanjay Agarwal is the guiding force behind the strategic decisions of our Company. His industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Our Company deploy the strategies to minimize the various risk associated with Business. Our Company obtains Buyers Credit from time to time for its Imports to minimize the credit risk and also enter into forward contracts from time to time to avoid the risk associated with the fluctuation of foreign exchange rates.

We, at Sirca paints, strive to be industry leaders in all our current business and aspire to be the pioneers in business of the future. We are currently focused to bring out the next phase of growth by entering into new phases and evolving into, even better players, in our existing business.

Our Company is built for the long term and is strongly established on sustainable fundamentals. Relationships fostered and sustained with our clients over a period of time; serves our aim to add vital value for the client by deeply understanding them and their ecosystem. We believe in creating and passing- enhanced value, enhanced wealth and enhanced goodness with each transaction.

Our Company has shown a tremendous growth in its total revenue, Our Total revenue has increased more than doubled in last 5 (five) years. Our total revenue in the Financial Year 2012-13 was Rs. 3402.29 Lacs which is now Rs. 8434.17 Lacs in the Financial Year 2016-17 and has shown an Increment of 147.89 %.

Our Profit after tax also shown as steep rise in last 5 (Five) years from Rs. 50.40 lacs in the Financial year 2012-13 to Rs. 1370.34 Lacs in the Financial Year 2016-17 an Increment of 2618.93 %. Also, Our total revenue for the Nine months ended on 31<sup>st</sup> December, 2017 is Rs. 6470.29 lacs with a profit after tax of Rs. 1459.95 Lacs showing a growing trend of our Business operations over the previous years.

Details of Total Revenue for the last Five (5) years and for the period ended on 31<sup>st</sup> December, 2017 are us under:

(Amt In Lacs)						
Particulars	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Income						



Particulars	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Revenue from Operations	6395.28	8,251.01	7,054.57	6,525.45	5,552.35	3,431.92
Other Income	75.01	183.16	211.52	451.40	(144.35)	(29.63)
<b>Total</b>	<b>6470.29</b>	<b>8,434.17</b>	<b>7,266.09</b>	<b>6,976.85</b>	<b>5,408.00</b>	<b>3,402.29</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>2274.67</b>	<b>2,206.09</b>	<b>1,175.54</b>	<b>1,011.56</b>	<b>363.29</b>	<b>196.92</b>
<b>Net Profit before Tax</b>	<b>2218.26</b>	<b>2,155.58</b>	<b>1,113.63</b>	<b>946.07</b>	<b>300.95</b>	<b>75.44</b>
<b>Net Profit</b>	<b>1459.95</b>	<b>1,370.34</b>	<b>727.62</b>	<b>617.88</b>	<b>197.11</b>	<b>50.40</b>

#### **OUR KEY UNIQUE BUSINESS STRENGTHS ARE:**

- 1) Experienced Promoters and a well trained employee base** - Our promoters Mr. Sanjay Agarwal, Mr. Apoorv Agarwal and Mr. Gurjit Singh Bains are experienced in our line of business. Our management and employee team combines expertise and experience to outline plans for the future development of the company. Since starting of operations, we have witnessed consistent and stable growth. Our Promoters have significant industry experience and has been instrumental in the consistent growth of our company. We believe that the knowledge and experience of our promoter and management will enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.
- 2) Strong financial position** - We believe that our strong financial position will provide us with the financial flexibility to fund our growth and expansion and allow us to respond quickly and competitively to further capitalise on emerging opportunities in the market.
- 3) Established brand and image**- We are engaged in providing services to our clients and over the years, we believe that we have established ourselves as a reliable brand in India as well as outside India wherein our clients trust us for our quality, consistency and continuous performance.
- 4) Agreements with renowned brands:** Our Company has signed an Exclusive Distributorship Agreement with SIRCA SPA ITALY for selling its product in India, Sri Lanka, Bangladesh and Nepal. We believe that we have established ourselves as a reliable brand in India as well as outside India wherein our clients trust us for our quality, consistency and continuous performance.

#### **OUR BUSINESS STRATEGIES:**

##### **1. CONTINUE TO GROW OUR OVERALL MARKET SHARE BY LEVERAGING OUR PRESENCE IN EXISTING BUSINESS VERTICALS:-**

We intend to expand our geographical reach and enter the large market for growth opportunities of our business globally. We plan to deepen our presence in the existing market and expand our reach and penetrate into the large available market by giving scale down low price solution and grab major market share.

##### **2. EXPANSION PLAN AND DIVERSIFICATION (SETTING UP OF MANUFACTURING PLANT):-**

We have planned the expansion by way of manufacturing of Paints NC; Paints AC; Thinner; Polyurethane Products by setting up a manufacturing Unit pursuant to Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 entered with SIRCA S.P.A. Italy in District Sonapat, India for which the Company had identified the Industrial Land at Dist. Sonapat, Haryana.



Further, we have acquired the land situated at Sonapat to provide approx 7895 Sq yards. Through this Manufacturing, we will be able to manufacture the products in India.

### **3. EXPANDING OUR CLIENTELE BASE:-**

Our Company is strategizing to strengthen its cliental base. Our present customer base comprises of a large number of Overseas & Indian Companies/concerns. Our Company intends to grow business continuously by adding new customers.

### **4. LEVERAGING OUR MARKET SKILLS AND RELATIONSHIPS:-**

This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

### **5. PURSUE STRATEGIC ACQUISITIONS:**

In order to expand, we seek to identify acquisition targets and/or joint venture partners whose resources, capabilities, technologies and strategies are complementary to and are enabling us to establish our presence in new geographical locations.

### **LOCATIONS OF REGISTERED OFFICE:**

Our Registered office is situated at 504, NDM II, Netaji Subhash Place Wazirpur, Pitampura, Delhi-110034 and our Products are stored at our Corporate office cum Godown situated at 50, Badli Industrial Estate, Phase II, Delhi which is fully equipped.

### **COLLABORATIONS:**

The Company has so far not entered into any technical or financial collaboration agreement except that Our Company has entered into a Manufacturing License Agreement with SIRCA SPA, a Company incorporated under the laws of Italy and having its registered office at Messanzago (PD), Vialc Roma 85, Postal Code 35010, Frazione San Dono, Italy wherein SIRCA SPA (hereinafter called as “the licensor”) has provided to our Company an Exclusive Right to manufacture in India the Following Products:

- Paints NC;
- Paints AC;
- Thinner;
- Polyurethane Products

The Following are the some of the terms of the Manufacturing License Agreement (hereinafter called as “the Agreement/Licensee”):

- The products manufactured by the licensee pursuant to the agreement shall be marketed sale and distributed under the trademark “SIRCA” owned by the licensor or under such other trademark that the parties may decide upon jointly in writing;
- The Licensee shall not be entitled to manufacture the products outside India and the licensee shall not be entitled to actively market and sell the products manufactured pursuant to the agreement on territories other than India, Sri Lanka, Nepal and Bangladesh in absence of licensor’s written authorization.

- The licensor shall assist the licensee with the set up of the production facility required for the manufacture of the products;
- The assistance of the licensor shall include assistance consultancy and assistance with respect to design of the production facility, including assistance to licensee's engineers and architects, consultancy and assistance in the process of the procurement of machineries required for the manufacturing of the products, consultancy and assistance in the procurement of the Material required for the manufacturing of the products, on site and remote trainings to senior staff of the Licensee for the purpose of further trainings of the employees of the licensee meant to be employed on the production lines;
- The licensee shall manufacture the products in compliance with the formula to be provided to the licensee by licensor;
- In consideration of the license granted by the licensor to the licensee and the assistance to be provided by the licensor to the licensee, licensee agrees to pay the licensor a fix fee in the amount of Six hundred thousand EURO (EUR 6,00,000) in the following manner:
  - o The first installment of three hundred thousand EURO (EUR 3,00,000) shall be paid within 30 days from the signing of this agreement;
  - o The second installment of three hundred EURO (EUR 3,00,000) shall be paid by the 1<sup>st</sup> January, 2019.

In addition to fix fee, a royalty fee equal to 0.15 EURO per kilogram or liter of product manufactured by the licensee in India and sold by the Licensee in India, Nepal, Bangladesh and/or elsewhere.

- The agreement, except as otherwise provided, shall be in full force and effect as of the date of execution the agreement by both parties and shall continue in effect for five (5) contractual years ("Initial terms") and after that, for indefinite term, unless any party communicates to the other party in writing its objection to the renewal after the Initial term at least 30 (thirty) days in advance to the expiry of the term.

*A copy of the agreement may be inspected at the Registered Office of our Company at 504, NDM 2, Netaji Subhash Place Wazirpur, Pitampura, Delhi-110034 from 11.00 a.m. to 4.00 p.m. on working days from the date of the Red Herring Prospectus until the Issue Closing Date.*

#### **UTILITIES & INFRASTRUCTURE FACILITIES:**

We have our Registered Office at 504, NDM 2, Netaji Subhash Place Wazirpur, Pitampura, Delhi-110034 and our Corporate office is situated at 50, Badli Industrial Area, Phase II, Delhi which is well equipped with computer systems, internet connectivity, other communication equipment, security, transport and other facilities which is required for our business operations to function smoothly.

#### **PLANT AND MACHINERY AND CAPACITY AND CAPACITY UTILISATION:**

Our Company is engaged in the marketing and trading business and hence existing installed capacities and capacities utilization for past three years and next three years are not given.

Our Company has entered into a Distributorship Contract dated 1<sup>st</sup> January, 2018 with SIRCA SPA ITALY wherein Our Company got the Exclusive Right to promote the sale of PU & Metal Coating under trademark Polistuc in the territory of India, Sri Lanka, Bangladesh and Nepal with a minimum turnover of EURO 4,300,000 (Four Million three hundred thousands) and EURO 4,800,000 (Four million eight hundred thousand) to be achieved in the year 2018 and 2019 respectively.

Also, Our Company has entered into a Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 with SIRCA S.P.A. Italy for manufacturing the following products that our Company is currently distributing under the Product Distribution Agreement. Pursuant to this agreement, Our Company is having an Exclusive Right to manufacture the following products in India, under the mark “SIRCA”.

- Paints NC;
- Paints AC;
- Thinner;
- Polyurethane Products

### **Estimated Production Capacity**

Presuming 300 operating days in a year and single Shift (12 Hours)-working basis the production capacity of the unit is mfg. of 3000000 kgs of PU Thinner and 3600000 kgs of NC Lacquers 3600000kgs of melamine and 2000000kgs of Polyurethane products per annum initially, which is likely to be increased in the subsequent years. Actual utilization is expected to be 25 % in Ist year, 40 % in II<sup>nd</sup> year, 60 % in III<sup>rd</sup> year and approx 75% and above in further years.

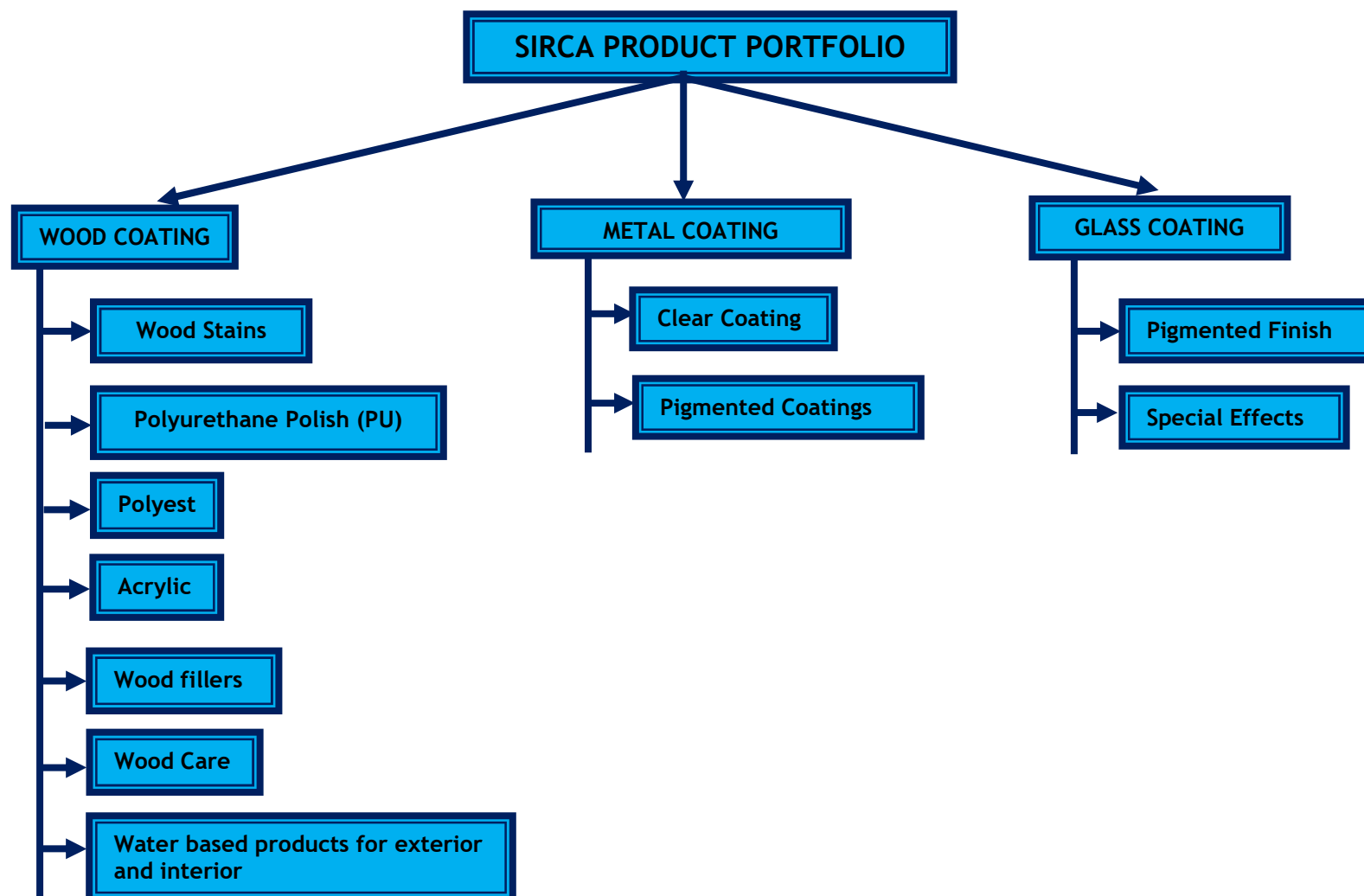
### **HUMAN RESOURCES:**

We believe that our employees are key contributors to our business success. We focus on attracting and Retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

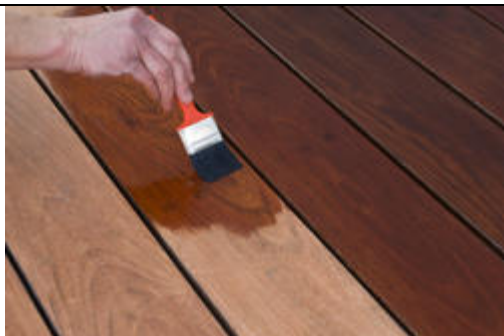
The details of manpower employed as on date of Red Herring Prospectus are as under:

Category	No. of Employees
<b>Management:</b>	
Managing Director and Joint Managing Director	2
<b>Administration, Accounts &amp; Finance, Marketing:</b>	
Account and Finance	7
HR administration and office administration	7
Operations, Packaging and Machine worker	12
Secretarial and Legal	1
Sales and Marketing	60
Dispatch Department	9
Backend, Field and other labour	18
Transportation	7
Housekeeping and Cleaning	5
<b>TOTAL</b>	<b>128</b>



*Note: In addition to above, Our Company use to hire temporary labour on contract basis from to time.*





Details about Broad Categories of Our Products are as follows:






WOOD COATING		
WOOD STAINS		Stain can also be used to subtly alter the tone of wood. Unlike paint, which has pigment suspended in a binder, the coloring agent in stain is a dye that is dissolved in liquid. Thus, the color penetrates into the wood fibers, rather than resting in a surface film like paint.
Polyurethane Polish (PU)		Polyurethane coatings are particularly recommended for application to surfaces subject to high levels of wear-and-tear, where excellent chemical/physical resistance is required.

<p><b>Polyest</b></p>		<p>Waxed polyester wood coatings have excellent chemical and mechanical stability, high filling capacity and high resistance to removal and shrinkage. These products are used either as base coats or as exceptionally brilliant top coats for wood surfaces after specific sanding, brushing and polishing processes. Because of the high solid content, these products are particularly recommended for closed pore cycles and modern furniture coating.</p> <p>Direct gloss polyester base coats, also known as “polyesterine”, do not contain paraffin. These basecoats allow easier manual sanding as compared to polyurethane primers. They differ from the latter because of their high solid content; allowing higher filling capacity and fewer applications. Polyesterines, being particularly resistant to shrinkage and removal, are recommended for closed pore cycles, both clear and pigmented, and are ideal for kitchen and bathroom coatings. Their high thixotropy makes them also suitable for painting shaped items, even upright structures.</p>
<p><b>Acrylic</b></p>		<p>Acrylic products are particularly suitable for the coating of light-colored woods, woods that have been chemically bleached, woods with open-pore coating and for coating cycles where the requested characteristics are transparency (since they are formulated with colorless resins), resistance to yellowing and elasticity.</p>



<p><b>Wood fillers</b></p>		<p>Wood filler is commonly used to hide many deficiencies in a wood surface before any home repair work takes place. Wood fillers can be blended in with a wooden surface to create a smooth backdrop for painting. This will ensure that you do not have to use excess layers to hide holes and bumps. Using wood filler before painting is a quick and easy job.</p>
<p><b>Wood Care</b></p>		<p><b>Product Features:</b></p> <ul style="list-style-type: none"> <li>- Clear protective coating for softwood and hardwood</li> <li>- High film building and excellent gloss</li> <li>- Protects and enhance the natural beauty of the wood</li> <li>- Excellent resistance against scratches, knocks and scuffs</li> <li>- Ideal finish coat for door, windows, wooden furniture and wall paneling.</li> </ul>




METAL COATING		
Clear Coating		<p>The Metal Coatings are ground metal suspended in a non-toxic water based acrylic binder. They may be applied to both metal and non-metal surfaces such as glass, wood, ceramics, concrete, foam, and resin.</p> <p>All of the Dye-Oxide Patinas, Universal Patinas, Vista Patinas, Solvent Dyes, Patina Stains, and Finishing Waxes work well with the Metal Coatings allowing endless possibilities for finishes. Among the Traditional Patinas, Liver of Sulfur (brown) and Tiffany (green) patinas work the best with the Metal Coatings.</p> <p>The Metal Coatings are very durable outside (10 to 15 years) and are non-hazardous. One Gallon of Metal Coating will cover 100 square feet (this includes the recommended two layers).</p>
Pigmented Coatings		<p>These not only give the paint its colour and finish, but also serve to protect the surface underneath from corrosion and weathering as well as helping to hold the paint together. Both inorganic and organic substances are used, with the inorganic ones being in general cheaper but with less clear colours. Special pigments can be used to give metallic finishes (for example for car bodies), to be hard wearing (for road markings) etc.</p>

GLASS COATING			
Pigmented Finish			<p>This is a coating which is applied to the surface of leather and which includes coloured pigments and a clear urethane topcoat. This type of finish produces a more even colour and a more durable surface. It is only applied to full grain, pigmented and corrected grain leathers.</p>
Special Effects	<div> <div>  <p>CANVAS</p> </div> <div>  <p>CRINKLE</p> </div> </div> <div> <div>  <p>DAPPLE</p> </div> <div>  <p>WEAVING</p> </div> </div> <p>Tough Texture: Lasts long and ensures low maintenance</p>		<p>A unique process using photography to create a natural marble finish on wood or medium density fibreboard. Its high application solids produce a surface that is harder and more stain-resistant than natural marble.</p>

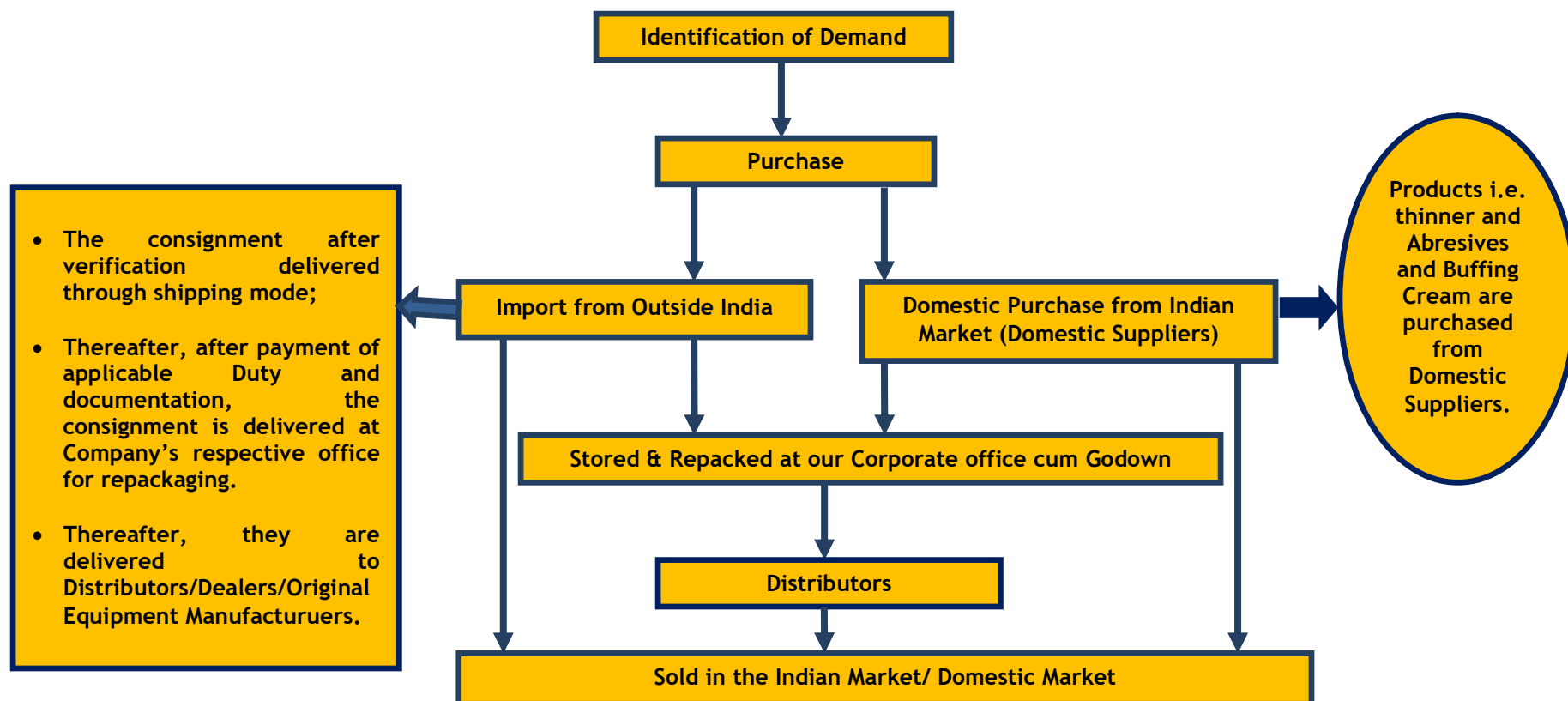
**Proposed Products:**

<p><b><u>PU CLEAR SEALER</u></b></p>		<p>This is a universal polyurethane sealer, characterised by high transparency, good general properties and coverage. It is suitable for painting doors for interior, accessories and furniture in general.</p> <p><b>PHYSICAL AND CHEMICAL PROPERTIES</b> Specific weight: <math>0,98 \pm 0,01</math> g/cc at <math>20^{\circ}\text{C}</math> Viscosity: (DIN Ø 4 <math>20^{\circ}\text{C}</math>) <math>35'' \pm 5</math> Solid content: <math>43 \pm 1\%</math></p> <p><b>APPLICATION METHOD</b> By spray</p>
<p><b><u>PU CLEAR MATT</u></b></p>		<p>This universal topcoat series has excellent covering power, it gives a good surface hardness, homogeneity and smoothness. It is characterized by high resistance towards chemical and food and drinks spots.</p> <p><b>PHYSICAL AND CHEMICAL PROPERTIES</b> Specific weight: <math>0.98 \pm 0,01</math> (g/cc at <math>20^{\circ}\text{C}</math>) Viscosity: (DIN 4 at <math>20^{\circ}\text{C}</math>) <math>70 \pm 3</math> Solid content: <math>47\% \pm 1</math></p> <p><b>APPLICATION METHOD</b> By spray and curtain coater</p>

<b><u>PU WHITE SEALER</u></b>		<p>This is a white thixotropic polyurethane primer applicable by spray. Among its main characteristics, there are good covering power, verticality, uniformity, very good sandability and a good white point.</p> <p><b>PHYSICAL AND CHEMICAL PROPERTIES</b> Specific weight: 1,42 ± 0,01 kg/l (g/cc at 20°C) Viscosity: (DIN Ø 4 20°C) 70" ± 5 Solid content: 71 ± 1%</p> <p><b>APPLICATION METHOD</b> By spray</p>								
<b><u>MELAMINE SEALER</u></b>		<p>It is a fast drying, specially formulated with wax filler, two components, acid curing conversion varnish based on modified amino and alkyd resins in a solvent born system. It is a melaminsed coating specially formulated for wooden furniture and decorative finishing coat of wood for long lasting and beautiful finish. It protects wood for many years from heat, water, exterior condition, insect attack and termite.</p> <p>It is a self-sealing and its excellent workability and fast drying time provides the benefit of one day job completion. It offers substantial economy in terms of durability, decorative and protective value compared to some of the conventional coating such as French Polish, N.C. coatings.</p> <table><tr><td><b>Area of application</b> <b>Type</b></td><td>Wood Two component acid-curing solvent born wood finish based on alkyd amino resins.</td></tr><tr><td><b>Description and Colour</b></td><td>Light, Yellow and liquid.</td></tr><tr><td><b>Solids Content</b></td><td>50 + - 1</td></tr><tr><td><b>Density</b></td><td>FOR SEALER 95.5+- .5</td></tr></table>	<b>Area of application</b> <b>Type</b>	Wood Two component acid-curing solvent born wood finish based on alkyd amino resins.	<b>Description and Colour</b>	Light, Yellow and liquid.	<b>Solids Content</b>	50 + - 1	<b>Density</b>	FOR SEALER 95.5+- .5
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<b>Solids Content</b>	50 + - 1									
<b>Density</b>	FOR SEALER 95.5+- .5									

		<p><b>Viscosity</b> For SEALER 165+-2 SECOND</p> <p><b>Method of Application</b> Brushing and Spraying</p>
<p><b>MELAMINE MATT AND GLOSS</b></p>		<p>It is a fast drying, two components, acid curing conversion varnish based on modified amino and alkyd resins in a solvent born system. It is a melaminsed coating specially formulated for wooden furniture and decorative finishing coat of wood for long lasting and beautiful finish. It protects wood for many years from heat, water, exterior condition, insect attack and termite.</p> <p>It is a self-sealing and its excellent workability and fast drying time provides the benefit of one day job completion. It offers substantial economy in terms of durability, decorative and protective value compared to some of the conventional coating such as French Polish, N.C. coatings.</p> <p><b>Area of application</b> Wood</p> <p><b>Type</b> Two component acid-curing solvent born wood finish based on alkyd amino resins.</p> <p><b>Description and Colour</b> Light, Yellow and liquid.</p> <p><b>Solids Content</b> 50 + - 1</p> <p><b>Density</b> For Gloss 98.5+ - 5 for matt 95.5+- 5 for satin 99.0+-5 at 30'C</p> <p><b>Viscosity</b> For gloss 88+- 2 Sec for Matt 163+ - 2Sec fro Satin 160+ - 2 Sec at 30'C.</p> <p><b>Method of Application</b> Brushing and Spraying</p>

**OUR BUSINESS PROCESS CAN BE SUMMARIZED AS UNDER:-**



- ❖ *Our Company has recently started exporting of products pursuant to Exclusive Distributorship Agreement entered with SIRCA SPA for exporting in Sri Lanka, Bangladesh and Nepal.*
- ❖ *Our Goods are Imported and exported through Shipping mode.*



#### MAJOR CUSTOMERS:

Our major customers for the Nine (9) months ended on 31<sup>st</sup> December, 2017 include the following:

S.No.	Name of Customer	Amt. In Lacs (Rs.)	% of total Revenue
1.	Arman Enterprises	1068.35	16.71%
2.	Vardhman Traders	244.05	3.82%
3.	Novelty Paints House	171.07	2.68%
4.	Lucky Color Solution	93.59	1.46%
5.	Universal Sanitary Emporium	93.32	1.46%
6.	Rv Interiors Pvt Ltd	91.92	1.44%
7.	Pyare Lal & Sons	72.88	1.14%
8.	Indoline Industries Pvt Ltd	68.25	1.07%
9.	Alsorg Interiors India Pvt Ltd	59.62	0.93%
10.	Sapra Paints	58.04	0.91%

#### MAJOR SUPPLIERS:

Our major suppliers for the Nine (9) months ended on 31<sup>st</sup> December, 2017 include the following:

S.No.	Name of Supplier	Amt. In Lacs (Rs.)	% of total Purchases
1.	Sirca Spa	2370.48	64.01%
2.	Woodco Paints	454.20	12.26%
3.	Borma Professional Solutions	150.83	4.07%
4.	Pai Cristal India Pvt Ltd	51.04	1.38%
5.	Aipl Marketing Pvt Ltd	25.15	0.68%
6.	Pooja Packaging	31.71	0.86%
7.	Anandkhand Trading House	23.42	0.63%
8.	Balaji Plastics	13.28	0.36%
9.	Tin Pack Engineers	35.74	0.97%
10.	Jai Mata Di Enterprises	33.16	0.90%

#### MARKETING STRATEGY:

We employ a variety of marketing methods to market our products to build our brand image and achieve the desired business results. Our senior management visit the international markets to promote our business and understand the current demand of different type of products. The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our channels that are associated with our Company. Our team through their experience owing to timely and quality delivery of services plays an instrumental role in creating and expanding a work platform for our Company. We have marketing professionals for our domestic operations.

We believe our relationship with our Marketing channels is cordial and established as we repeat order flows. To retain our distributors, our team regularly interacts with them and focuses on gaining and insight into the additional needs of customers.

We intend to expand our existing customer base by reaching out to other geographical areas and expanding our export operations. Our marketing team is ready to take up challenges so as to scale new heights.

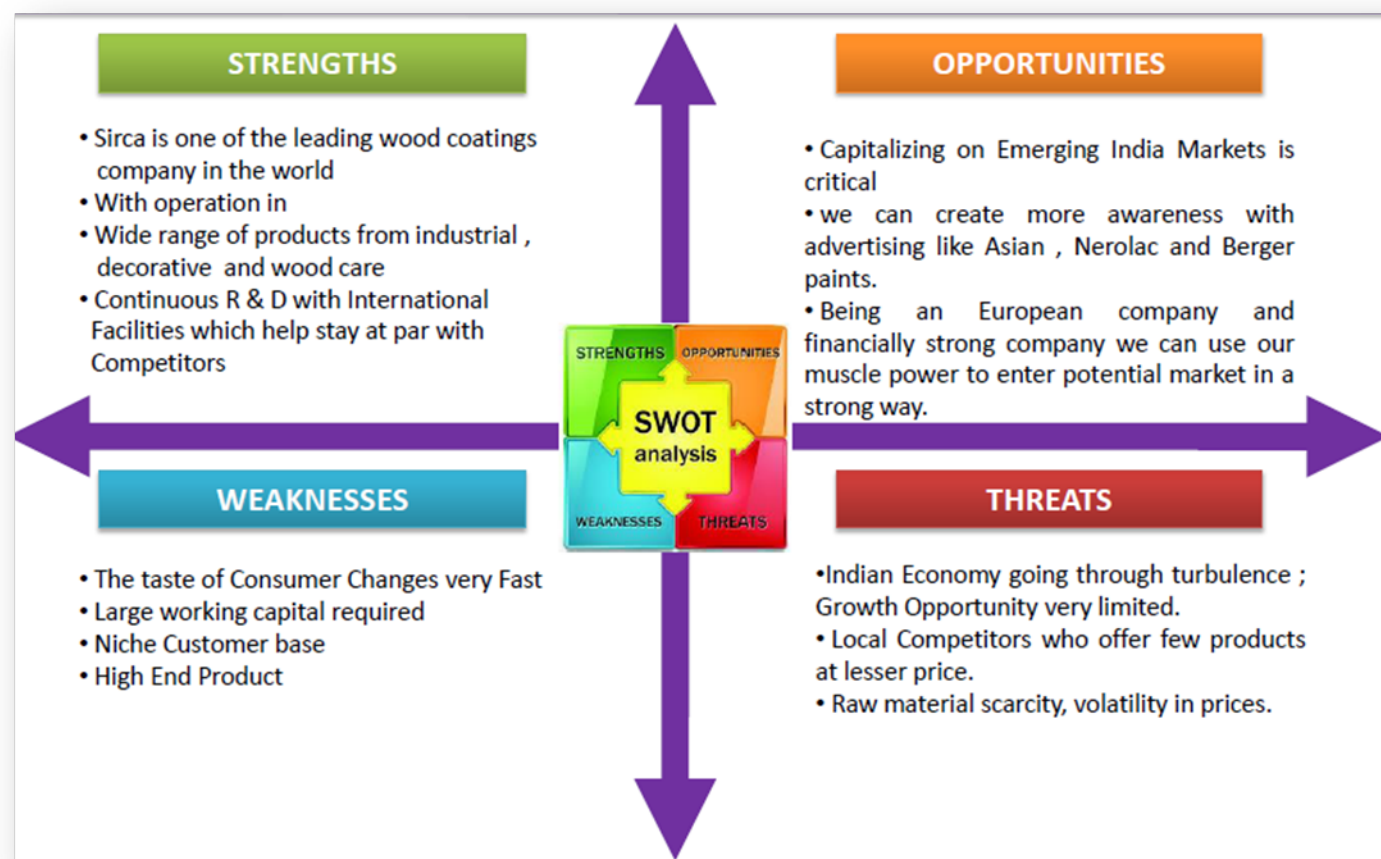
### **COMPETITION:**

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers and suppliers who have been associated with our Company. Our marketing team through their experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding work platform for our Company. To retain our customers, our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by reaching out to other geographical areas. Our marketing team is ready to take up challenge so as to scale new heights.

### **EXPORT POSSIBILITIES & EXPORT OBLIGATION:**

We do not have any outstanding export obligations.

### **SWOT:**



### **QUALITY:**

We are wholly committed to build and sustain itself as an organization where quality shall be the hallmark of every aspect. We check the entire process right from procurement of materials to final delivery. Our maximum

attention is paid to upgrade our process and system to achieve consistent product quality and customer satisfaction.

### OUR PROPERTIES:

**Registered office:** 504, NDM II, Netaji Subhash Place Wazirpur, Pitampura, Delhi-110034.

#### **Note 1: Interest in Property by our Promoters and Promoter Group**

Our Promoter and Promoter group do not have any interest in any property, whether leased, owned or occupied except that property situated at Prop No. C-247, Bawana Industrial Area, Sector -4, Delhi 110039 has been leased out by our Promoters Mr. Sanjay Agarwal and Mr. Gurjit Singh Bains to our Company for a rent of Rs. 30,000 per month for a period 11 (eleven) months commencing from 1<sup>st</sup> March, 2018.

#### **Note 2: Purchase of Property**

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest directly or Indirect during preceding two years.

#### **Details of Property owned/taken on lease/ leave & Licence by Our Company:**

S.No.	Details of the Property	Licensor/Vendor	Consideration	Nature of Occupancy	Use	Used by
1.	50, Badli Industrial Estate, Phase II, Delhi, admeasuring 418.02 Sq Meters	M/s Crescent Engineering Corporations, office at D-3, DSIDC Engineering Complex, Mangolpuri Industria Area, Phase -I, Delhi Through Mr. Arun Gandhi	Rs. 3,87,00,000	Owned	Corporate office Cum Godown	Company
2.	Unit No. 18, Ground Floor, Solaris-I, Saki Vihar Road, Andheri E, Mumbai-400072 lying and being on the piece or parcel of land bearing survey no. 46, 47, Hissa No. 1 (part), 48(part), CTS No. 98, 100/1 & 101 of village Tungwa, Taluka Kurla, District Mumbai, admeasuring 280 sq ft.	M/s. Himland Trade Monitors P Limited, office at 208, A Wing, Solaris-I, Saki Vihar Road, Andheri E, Mumbai-400072	Rs. 18,00,000	Owned	Office & Godown	Company
3.	504, 5 <sup>th</sup> Floor without roof/Terrace rights, NDM-2, Built on commercial plot no. D-1,2,3 situated at wazirpur district centre, Netaji Subhash Place, Delhi-110034	Mr. Vijay Naraindas Bhojwani, R/o 504, Emerald House, Secunderabad, Andhra Pradesh.	Rs. 34,50,000	Owned	Registered office	Company

S.No.	Details of the Property	Licensor/Vendor	Consideration	Nature of Occupancy	Use	Used by
	admeasuring 598.12 Sq Ft.					
4.	C-47 out of khasra no. 93/3, situated in the area of Village Rithala, Abadi Known c Block, Vijay Nagar, Phase -II, Rohini, Delhi, admeasuring 200 Sq yds.	M/s. Vinod Goel HUF through its Karta Vinod Goel R/o 41, Harsh Vihar, Pitam Pura, Delhi and M/s. Abhishek Goel HUF Through Its Karta Mr. Abhishek Goel R/o 41, Harsh Vihar, Pitam Pura, Delhi	Rs. 48,00,000	Owned	Godown	Company
5.	601, NDM-I, Netaji Subhash Place, Wazirpur, Delhi-110034 Admeasuring area of 879 Sq Ft.	Mr. Mukesh Mittal, Mrs. Anju Gupta both resident of Flat No. 102, Agroha Kunj, Sector 13, Rohini Delhi	Rs. 84,00,000	Owned	Display office	Company
6.	L-2A, Sector 18, Noida, admeasuring area 4968 Sq Ft.	Wave City Centre Private Limited, A-25, Mohan Cooperative Industrial Estate Mathura Road, New Delhi-110044	Rs. 6085800	Owned	Godown	Company
7.	Shop premises at No. 139, 4 <sup>th</sup> Main, 9 <sup>th</sup> Cross, Chamrajpet, Bangalore-560018, Building, Ground Floor, Doors, Measuring 18*60 and electrical facilities.	Mr. Somnath H R/o 139, 4 <sup>th</sup> Main, 9 <sup>th</sup> Cross, Chamrajpet, Bangalore-560018	Rs. 15,000 per month	Lease for a period of eleven (11) months commencing from 23rd August, 2017	Office & Godown	Company
8.	Prop No. C-247, Bawana Industrial Area, Sector -4, Delhi 110039	Mr. Sanjay Agarwal and Mr. Gurjit Singh Bains, Promoters and Directors of the Company.	Rs. 30,000 per month	Lease for a period of eleven (11) months commencing from 1 <sup>st</sup> March, 2018	Godown	Company
9.	Unit No.16/B, Solaris-I Premises Co-Operative Society Ltd, Saki Vihar Road, Tungwa, Andheri (East) Mumbai - 400072	Narain M Sukhani, 3a/1103, Whispering Palms, Akurli Road, Kandivali (E) Mumbai - 400101.	Rs. 29000 per month for first 12 months and Rs. 31900 per month for second 12 month	Lease for a period from 24 <sup>th</sup> December, 2016 to 23 <sup>rd</sup> December, 2018	Godown	Company
10.	F-17, Jai Shree Ram Compound, Opp Gupta Compound Anjur Bhiwandi Road, Dapoda Village Tel-Bhiwandi,	Mrs. Smita Harish Nagda, Mr. Pinkesh Nagda both residing at 26, Shankar Chayya, 19, MG	Rs. 24200 per month	Leave & License for a period of 12 months from 15 <sup>th</sup> December, 2017 to 14 <sup>th</sup>	Godown	Company

S.No.	Details of the Property	Licensor/Vendor	Consideration	Nature of Occupancy	Use	Used by
	Thane -421302 Admeasuring area 2704 sq fts	Road, Ghatkopar E , Mumbai-400077		December, 2018		
11.	Gala-12, Ground Floor, Paras Industrial Estate Premises Cs Ltd, Kachpada, Malad West, Mumbai - 400064 Admeasuring 307 sq ft.	Shah Deepa Rajanikant, Flat No.1, Sarla Sadan, Malad West, Mumbai- 400064	Rs.30,000/- for first 11 months and Rs. 33000 for next 11 months	Lease for a period of Twenty Two (22) months commencing from 12 Sept, 2017	Godown	Company
12.	D-122, Sector -7, Noida Distt. Gautam Budh Nagar Uttar Pradesh.	MMK Softwares LLP, 402, Sector 2, Chiranjiv Vihar, Ghaziabad, Uttar Pradesh.	Rs. 24,200 per month	Lease for the period of 11months commencing from 1 <sup>st</sup> March, 2018	Office and Godown	Company
13.	505, Ground Floor, Balkrishna Apartment, Vesu, Surat-395007	Mr. Sarashwati B patel, A/P, Khajod, Patel, Surat-395007	Rs. 8000 per month	Lease for the period of 11months commencing from 1 <sup>st</sup> April, 2018.	Office and Godown	Company
14.	15, Ground Floor, Kirti Sagar Tower, Behind Hotel Fortune Landmark, Usmanpura, Ashram Road, Ahmedabad - 380014	Mr. Jignesh Shah 41, Kirti Sagar Flats, Somnath Rd. Usmanpura, Ahmedabad	Rs. 22,470 per month	Lease for the period of 11months 29 days commencing from 1 <sup>st</sup> April, 2018.	Office and Godown	Company
15.	Door No. 2/377, Ground Floor, Mugalivakkam Road, Next to Dynamics Switch Gear Factory, Near L&T, service Station, Manapakkam, Chennai-600116	K.Sadagopal, S/O M.Kuppusamy, Old No.12, New No.22, Murugappa Acharya Street, Opp Chepauk Stadium, Triplicane, Chennai -600005	Rs. 24,000 month, current Company is paying Rs. 29,040 per month	Lease for period of 11 months commencing from 1 <sup>st</sup> November, 2008*	Office and Godown	Company
16.	202/7, Vesu, Surat- 395007	Mohan C Patel, Ambaji Street, Vesu Surat-395007	Rs. 10,000 per month	Lease for a period of 11 months commencing from 1 <sup>st</sup> April, 2018	Official	Company
17.	161, Parsi Street, Moritha. Tamandvi, Surat-394160	Nileshbhai C Patel, 267, Mandir Mohollp Vesu, Surat-395007	Rs. 8,000 per month	Lease for a period of 11 months commencing from 1 <sup>st</sup> April, 2018	Official	Company

*\*Our Company has informally extended the said tenancy period with mutual consent and also made payment of rent for the continuing period.*

*In addition to the above, Our Company has acquired the property situated in the revenue estate of village*

Nathapur sub-tehsil Rai, District Sonapat, Haryana from Priyanka Mangla R/o H.No. 119, Sector 14, Sonapat, land admeasuring 13 Kanal 1 Marias Kind Chahi Comprised in Khewat No. 659 min and 862 min Khata no. 714 min and 921 min rectangle & Killa no. 30/123/2/2 (6-5), 24 Min West (6-16) (34 Karam x 36 karam) for a consideration of Rs. 1006.69 Lacs.

## INTELLECTUAL PROPERTY:

For details of the trademarks registered in the name of our Company and the application made for registration, please refer “Government and Other Approvals” on page 238 of this Red Herring Prospectus.

## INSURANCE:

The details of all the insurance policies maintained by us are as follows.

Coverage	Marine Cargo
Policy no.	341120010117100015000000
Sum insured	Rs. 5,00,00,000
Total premium (Rs.)	Rs. 55,000
From	11.09.2017
Valid up to	10.09.2018

Coverage	Marine Cargo
Policy no.	341120010117100014700000
Sum insured	Rs. 2,00,00,000
Total premium (Rs.)	Rs. 20,000
From	14.09.2017
Valid up to	09.09.2018

Coverage	Marine Cargo
Policy no.	341120010117100014600000
Sum insured	Rs. 2,00,00,000
Total premium (Rs.)	Rs. 20,000
From	10.09.2017
Valid up to	09.09.2018

Coverage	Fire and Earthquack Cover
Policy no.	215600/11/2018/412
Sum insured	Rs. 70,00,000
Total premium (Rs.)	Rs. 3,306
From	11.10.2017
Valid up to	10.10.2018

Coverage	Vehicle Insurance-Hyundai DL 02C AM 9266
Policy no.	OG-18-1101-1801-00026969
Sum insured	Rs. 192000
Total premium (Rs.)	Rs. 5937
From	15.03.2018
Valid up to	14.03.2019

Coverage	Vehicle Insurance-Mercedes Benz C Class
Policy no.	OG-18-1101-1801-00006209



<b>Sum insured</b>	Rs. 30,70,305
<b>Total premium (Rs.)</b>	Rs. 52,745
<b>From</b>	23.06.2017
<b>Valid up to</b>	22.06.2018

<b>Coverage</b>	Vehicle Insurance - Maruti EECO DL1LP8023
<b>Policy no.</b>	1-GC2GIQK
<b>Sum insured</b>	Rs. 1,80,000
<b>Total premium (Rs.)</b>	Rs. 15,788.52
<b>From</b>	05.08.2017
<b>Valid up to</b>	04.08.2018

<b>Coverage</b>	Vehicle Insurance - Flexi Green-DL1LS6562
<b>Policy no.</b>	1-EZY6YNB
<b>Sum insured</b>	Rs. 2,64,589
<b>Total premium (Rs.)</b>	Rs. 16,253.09
<b>From</b>	14.05.2017
<b>Valid up to</b>	13.05.2018

<b>Coverage</b>	Vehicle Insurance - Maruti EECO DL1LS3243
<b>Policy no.</b>	1-MSIKOEZ
<b>Sum insured</b>	Rs. 252466
<b>Total premium (Rs.)</b>	Rs. 16742.35
<b>From</b>	29.01.2018
<b>Valid up to</b>	28.01.2019

<b>Coverage</b>	Vehicle Insurance - Maruti EECO UP16DT4197
<b>Policy no.</b>	1-MSIV8RI
<b>Sum insured</b>	Rs. 333000
<b>Total premium (Rs.)</b>	Rs. 9987
<b>From</b>	11.01.2018
<b>Valid up to</b>	10.01.2019

<b>Coverage</b>	Fire Coverage- 2/377, Nugan Vakhan Road, Near Ranchandra Colony, Manapukkam, Channai, Tamilnadu-600119
<b>Policy no.</b>	215600/11/2018/559
<b>Sum insured</b>	Rs. 1,50,00,000
<b>Total premium (Rs.)</b>	Rs. 29063
<b>From</b>	09.01.2018
<b>Valid up to</b>	08.01.2019

<b>Coverage</b>	Burglary - Stock
<b>Policy no.</b>	215600/48/2018/3969
<b>Sum insured</b>	Rs. 1,50,00,000
<b>Total premium (Rs.)</b>	Rs. 3750
<b>From</b>	09.01.2018
<b>Valid up to</b>	08.01.2019

<b>Coverage</b>	Fire - Stock
<b>Policy no.</b>	215600/11/2018/561
<b>Sum insured</b>	Rs. 10,00,00,000

<b>Total premium (Rs.)</b>	Rs. 1,55,650
<b>From</b>	09.01.2018
<b>Valid up to</b>	08.01.2019

<b>Coverage</b>	Fire - Stock
<b>Policy no.</b>	215600/48/2018/3971
<b>Sum insured</b>	Rs. 10,00,00,000
<b>Total premium (Rs.)</b>	Rs. 27500
<b>From</b>	09.01.2018
<b>Valid up to</b>	08.01.2019

<b>Coverage</b>	Fire - Stock
<b>Policy no.</b>	215600/48/2018/562
<b>Sum insured</b>	Rs. 3,50,00,000
<b>Total premium (Rs.)</b>	Rs. 54477
<b>From</b>	09.01.2018
<b>Valid up to</b>	08.01.2019

<b>Coverage</b>	Fire - Stock
<b>Policy no.</b>	215600/48/2018/3972
<b>Sum insured</b>	Rs. 3,50,00,000
<b>Total premium (Rs.)</b>	Rs. 9625
<b>From</b>	09.01.2018
<b>Valid up to</b>	08.01.2019

<b>Coverage</b>	Fire - Stock
<b>Policy no.</b>	215600/11/2018/558
<b>Sum insured</b>	Rs. 1,00,00,000
<b>Total premium (Rs.)</b>	Rs. 16275
<b>From</b>	08.01.2018
<b>Valid up to</b>	07.01.2019

<b>Coverage</b>	Fire - Stock
<b>Policy no.</b>	215600/48/2018/3968
<b>Sum insured</b>	Rs. 1,00,00,000
<b>Total premium (Rs.)</b>	Rs. 2500
<b>From</b>	08.01.2018
<b>Valid up to</b>	07.01.2019

<b>Coverage</b>	Fire - Stock
<b>Policy no.</b>	215600/11/2018/560
<b>Sum insured</b>	Rs. 50,00,000
<b>Total premium (Rs.)</b>	Rs. 12100
<b>From</b>	08.01.2018
<b>Valid up to</b>	07.01.2019

<b>Coverage</b>	Fire - Stock
<b>Policy no.</b>	215600/11/2019/7
<b>Sum insured</b>	Rs. 3,69,00,000
<b>Total premium (Rs.)</b>	Rs. 63461
<b>From</b>	03.04.2018

<b>Valid up to</b>	02.04.2019
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<b>Coverage</b>	Fire - Stock
<b>Policy no.</b>	215600/48/2018/3970
<b>Sum insured</b>	Rs. 50,00,000
<b>Total premium (Rs.)</b>	Rs. 1375
<b>From</b>	08.01.2018
<b>Valid up to</b>	07.01.2019

<b>Coverage</b>	Vehicle Insurance - Honda City DL04CAN1304
<b>Policy no.</b>	OG-19-1101-1801-00000970
<b>Sum insured</b>	Rs. 243000
<b>Total premium (Rs.)</b>	Rs. 6891
<b>From</b>	02.03.2018
<b>Valid up to</b>	01.03.2019

<b>Coverage</b>	Vehicle Insurance - Maruti EECO DL1LV2715
<b>Policy no.</b>	1-KBSWEGZ
<b>Sum insured</b>	Rs. 292537
<b>Total premium (Rs.)</b>	Rs. 9688.99
<b>From</b>	09.12.2017
<b>Valid up to</b>	08.12.2018

<b>Coverage</b>	Vehicle Insurance - Maruti EECO DL01LR5871
<b>Policy no.</b>	1-QEW30MX
<b>Sum insured</b>	Rs. 202559
<b>Total premium (Rs.)</b>	Rs. 18519.27
<b>From</b>	11.04.2018
<b>Valid up to</b>	10.04.2019

<b>Coverage</b>	Vehicle Insurance - Jeep
<b>Policy no.</b>	1021288700
<b>Sum insured</b>	Rs. 1776500
<b>Total premium (Rs.)</b>	Rs. 52537
<b>From</b>	22.11.2017
<b>Valid up to</b>	21.11.2018

<b>Coverage</b>	Vehicle Insurance - Cheverolet
<b>Policy no.</b>	GP21331574
<b>Sum insured</b>	Rs. 720000
<b>Total premium (Rs.)</b>	Rs. 30331
<b>From</b>	06.06.2017
<b>Valid up to</b>	05.06.2018

<b>Coverage</b>	Vehicle Insurance - Toyota Innova
<b>Policy no.</b>	TIT/91621268
<b>Sum insured</b>	Rs. 19,93,290
<b>Total premium (Rs.)</b>	Rs. 81,048
<b>From</b>	10.10.2017
<b>Valid up to</b>	09.10.2018

## KEY INDUSTRY REGULATIONS AND POLICIES

The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to applicants and is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled "Government and Other Statutory Approvals" beginning on page 238 of this Red Herring Prospectus.

The following is an overview of some of the important laws and regulations, which are relevant to our industry.

### KEY INDUSTRY REGULATIONS AND POLICIES

#### *Indian Stamp Act, 1899*

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

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

#### *The Delhi Shops and Establishments Act, 1954 (The Delhi Shops Act)*

The Delhi Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn function under the supervision of Labour Commissioner.

#### *Prevention of Black Marketing and Maintenance of Supplies Act, 1980*

To make matters worse, in 1980 came the "Prevention of Black Marketing and Maintenance of Supplies Act." It is an "Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith".

#### *Prevention of Food Adulteration Act, 1954:*

This Act is the basic statute that is intended to protect the common consumer against the supply of adulterated food. This specifies different standards for various food articles. The standards are in terms of minimum quality levels intended for ensuring safety in the consumption of these food items and for safeguarding against harmful impurities and adulteration. The Central Committee for Food Standards, under the Directorate General of Health Services, Ministry of Health and Family Welfare, is responsible for the operation of this Act. The provisions of the Act are mandatory and contravention of the rules can lead to both fines and imprisonment. Prevention of Food Adulteration Act applies to domestic and imported food commodities, encompassing food color and preservatives, pesticide residues, packaging, labeling and regulation of sales.

## **LAWS RELATING TO EMPLOYMENT AND LABOUR**

### ***The Industrial Employment Standing Orders Act, 1946***

Every establishment employing more than 100 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labor Commissioner.

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

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

### ***The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952 (“EPF Act”)***

The “EPF Act” applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

### ***The Employees State Insurance Act, 1948 (“ESI Act”)***

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

### ***The Payment of Gratuity Act, 1972 (“Gratuity Act”)***

The “Gratuity Act” establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 1 million.

### ***The Equal Remuneration Act, 1976 (“ER Act”)***

The “ER Act” provides for the payment of equal remuneration to men and women workers for same work or work of a similar nature and for the prevention of discrimination, on the ground of sex, against women in the matter of employment. According to the Equal Remuneration Act, the term remuneration means the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, are fulfilled.

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

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

### ***The Maternity Benefit Act, 1961 ("Maternity Act")***

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

## **TAX RELATED LEGISLATIONS**

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

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

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

GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### ***The Trademarks Act, 1999 ("TM Act")***

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

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



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

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

### ***The Designs Act, 2000 (“Designs Act”)***

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

## **PROPERTY RELATED LAWS**

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

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states. Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate.

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

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

The Indian Registration Act, 1908 “Registration Act” details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non- testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration. Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as

evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

### ***The Indian Easements Act, 1882 ("IE Act")***

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

### **FOREIGN INVESTMENT REGIME:**

#### ***The Foreign Exchange Management Act, 1999 ("FEMA") and Regulations framed thereunder.***

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

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

The Foreign Trade (Development & Regulation) Act, 1992, 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.

### **ENVIRONMENTAL LAWS**

#### ***Indian Forest Act, 1927***

This is an act to consolidate the law relating to forests, the transit of forest produce and the duty leviable on timber and other forest produce.

#### ***The Forest (Conservation) Act, 1980***

This is an Act to provide for the conservation of forests and for matters connected therewith or incidental thereto. This Act has been enacted with a view to check further development which ultimately results in ecological imbalance. With this object in mind, this Act, inter alia, makes it mandatory that no state Government or any authority shall without the prior approval of the Central Government give any order directing (i) any reserved forest shall cease to be reserved (ii) any forest land may be used for non forest purpose (iii) any forest land be assigned by way of lease or otherwise to any private person or to any authority, corporation, agency or any other organization not owned, managed or controlled by Government and (iv) that any forest land may be cleared of trees which have grown naturally in that land, for the purpose of using it for re-afforestation.

### **The Forest (Conservation) Rules, 2003**

This Rule has been framed for effectuating the provision of the Forest (Conservation) Act, 1980.

### **National Forest Policy, 1988**

This set of policies were enunciated, inter alia, for the maintenance of environment stability through preservation and restoration of ecological balance, conserving the natural heritage of the country, checking soil erosion and increasing the productivity of forest to meet national needs.

### **The Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)**

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

### **The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)**

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate.

### **The Water (Prevention and Control of Pollution) Cess Act, 1977 (the “Water Cess Act”) The Water (Prevention and Control of Pollution) CESS (Amendment) Act, 2003**

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this statute, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for noncompliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of `1,000 or both and penalty for nonpayment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

### **The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (the “Hazardous Wastes Rules”)**

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous

waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant state Pollution Control Board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the relevant State Pollution Control Boards. Penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to five years and imposition of fines as may be specified in the EPA or both.

## **IMPORTANT GENERAL LAWS:**

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

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

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

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

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

The Competition Act, 2002 prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### ***The Public Liability Insurance Act, 1991 (“PLI Act”)***

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

### ***The Indian Contract Act, 1872 (“Contract Act”)***

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

### ***The Consumer Protection Act, 1986 (“COPRA”)***

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

### ***The Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011***

Legal Metrology Act, 2009 and the rules framed under were enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. This act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, with effect from March 1, 2011 and the rules which came into force from April 1, 2011 replaced Standards of Weights and Measures (Packaged Commodities) Rules, 1977.

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

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

### ***The Negotiable Instruments Act, 1881 (“NI Act”)***

In India, the laws governing monetary instruments such as cheques are contained in the “NI Act”, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the

matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, and with fine which may extend to twice the amount of the cheque, or with both.



## OUR HISTORY AND CORPORATE STRUCTURE

### HISTORY & BACKGROUND

Our Company was originally incorporated at New Delhi as “Sircolor Wood Coatings Private Limited” on 19<sup>th</sup> January, 2006 under the provisions of the Companies Act, 1956. Thereafter, the Name of the Company was changed to “Sirca Paints India Private Limited” vide fresh certificate of incorporation dated 3<sup>rd</sup> May, 2017 issued by the Registrar of Companies, Delhi. Consequently, the name of the Company was changed to “Sirca Paints India Limited” vide fresh certificate of incorporation dated 17<sup>th</sup> January, 2018 issued by the Registrar of Companies, Delhi.

The Foundation of Our Company was laid down by Mr. Sanjay Agarwal, Mr. Apoorv Agarwal and Mr. Gurjit Singh Bains in the year 2006 with a vision to have a distinct global presence in Paint Industry by providing high quality coatings and technical assistance which leads to as healthy customer relationship. After establishment, Our Company started import of Polyurethane Polish (PU) products from Italy and wall paints & Abrasives from Korea and selling them in India as a first step of Journey. Our Company is the first Company to launch wood filler in India and opened its wholly owned branches in Mumbai and Chennai.

Our Company is in marketing and trading/distributor of paints and allied products after repackaging the same. Our Company use to procure the products majorly from SIRCA SPA ITALY through Import and selling them in India through its Distributors. In additional, Our Company also procure the products (Thinner, Abresives and Buffing Cream) from other suppliers based in India. Except Thinner and Abresives which are purchased from domestic suppliers, all other 100% Purchases are made from Outside India and the products which are purchased from domestic suppliers and sold out in India Only.



Our Company has entered into a Distributorship Contract dated 1<sup>st</sup> January, 2018 with SIRCA SPA ITALY wherein Our Company got the Exclusive Right to promote the sale of PU & Metal Coating under trademark SIRCA in the territory of India, Sri Lanka, Bangladesh and Nepal with a minimum turnover of EURO 4,300,000 (Four Million three hundred thousands) and EURO 4,800,000 (Four million eight hundred thousand) to be achieved in the year 2018 and 2019 respectively.

Our Company has entered into a Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 with SIRCA S.P.A. Italy for manufacturing the following products that our Company is currently distributing under the Product Distribution Agreement. Pursuant to this agreement, Our Company is having an Exclusive Right to manufacture the following products in India, under the mark “SIRCA”.

- Paints NC;
- Paints AC;
- Thinner;
- Polyurethane Products.

#### Proposed Production Capacity:

Presuming 300 operating days in a year and single Shift (12 Hours)-working basis, the production capacity of the unit is mfg. of 3000000 kgs of PU Thinner and 3600000 kgs of NC Lacquers 3600000kgs of melamine

**and 2000000kgs of Polyurethane products per annum initially, which is likely to be increased in the subsequent years. Actual utilization is expected to be 25 % in 1st year, 40 % in 2nd year, 60 % in 3rd year and approx 75% and above in further years.**

Our Managing Director, Mr. Sanjay Agarwal is the guiding force behind the strategic decisions of our Company. His industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Our Company deploy the strategies to minimize the various risk associated with Business. Our Company obtains Buyers Credit from time to time for its Imports to minimize the credit risk and also enter into forward contracts from time to time to avoid the risk associated with the fluctuation of foreign exchange rates.

We, at Sirca paints, strive to be industry leaders in all our current business and aspire to be the pioneers in business of the future. We are currently focused to bring out the next phase of growth by entering into new phases and evolving into, even better players, in our existing business.

Our Company is built for the long term and is strongly established on sustainable fundamentals. Relationships fostered and sustained with our clients over a period of time; serves our aim to add vital value for the client by deeply understanding them and their ecosystem. We believe in creating and passing- enhanced value, enhanced wealth and enhanced goodness with each transaction.

Our Company has shown a tremendous growth in its total revenue, Our Total revenue has increased more than doubled in last 5 (five) years. Our total revenue in the Financial Year 2012-13 was Rs. 3402.29 Lacs which is now Rs. 8434.17 Lacs in the Financial Year 2016-17 and has shown an Increment of 147.89 %.

Our Profit after tax also shown as steep rise in last 5 (Five) years from Rs. 50.40 lacs in the Financial year 2012-13 to Rs. 1370.34 Lacs in the Financial Year 2016-17 an Increment of 2618.93 %. Also, Our total revenue for the nine months ended on 31<sup>st</sup> December, 2017 is Rs. 6470.29 lacs with a profit after tax of Rs. 1459.95 Lacs showing a growing trend of our Business operations over the previous years.

*For information on the Company's activities, market, growth, technology and managerial competence, please see the chapters "Our Management", "Our Business" and "Industry Overview" beginning on pages 163, 123, and 104 respectively of this Red Herring Prospectus.*

## **MAIN OBJECTS OF OUR COMPANY**

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

1. To carry on in India or abroad or elsewhere the business to manufacture, produce, process, convert, commercialize, formulate, compound, develop, derive, discover, grade, manipulate, prepare, promote, pack, repack, extract, mix, supply, import, export, buy, sell, wholesale, retail, turn to account and to act as agent, broker, concessionaire, C & F agent, stockiest, distributor, collaborator, transporter, consultant, job worker or otherwise to deal in all varieties, mixtures, descriptions, specifications, melamine paints, metallic paints, distempers, primers, oxides, resins, adhesive, varnishes, thinners, spirits, strainers, emulsions, coatings, pigments, dyes, enamels, polishes, water proofing paints and chemicals, bonding elements, putties, washers, brushes, containers and other allied chemicals, paints, compounds, intermediates, consumables, powders, liquids, ingredients, products and by-products thereof.
2. To manufacture, purchase, sell Import export, manipulate, repack, treat and otherwise deal in all types of wood coatings, wall coatings and all other types of coatings, resins, chemicals, formulation. To

manufacture, purchase, sell, import, export, manipulate, repack, treat and to otherwise deal in all types of abrasive paper and bolts.

3. To manufacture, purchase, sell, import, export, manipulate, repack, treat and otherwise deal in all types of coloring materials, surface coatings, lacquers, dyes, elastomers, gums, glues, other surface active agents, tanning agents, coatings, oil softeners, Synthetic fibers and all other products related to this.
4. To carry on the business in India or elsewhere as commission agents, merchants, general order suppliers, representatives, distributors in connection with the business as referred to in the above objects and to do all incidental acts and things for carrying on the above objects.

#### CHANGES IN THE MEMORANDUM OF ASSOCIATION

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

DATE	AMENDMENT
14 <sup>th</sup> November, 2017	Increase in Authorized Share Capital of the Company from Rs. 10.00 Lacs divided into 1,00,000 Equity Shares of Rs. 10 each to Rs. 200.00 Lacs divided into 2,00,00,000 Equity shares of Rs. 10 each.
3 <sup>rd</sup> May, 2017	Alteration in the Name Clause of MOA consequent upon Change of Name of the Company from “Sircolor Wood Coatings Private Limited” to “Sirca Paints India Private Limited”
17 <sup>th</sup> January, 2018	Conversion of the Company from Private Limited Company to Public Limited Company and adoption of new set of Memorandum of Association of the Company and Change of Name of the Company from “Sirca Paints India Private Limited” to “Sirca Paints India Limited”.

#### MAJOR EVENTS AND MILESTONES

YEAR	PARTICULARS
2006	Incorporation of the Company in the name and style of “Sircolor Wood Coatings Private Limited”
2017	The Name of the Company was changed from “Sircolor Wood Coatings Private Limited” to “Sirca Paints India Private Limited”
2018	Conversion of the Company from Private Limited Company to Public Limited Company and adoption of new set of Memorandum of Association of the Company and Change of Name of the Company from “Sirca Paints India Private Limited” to “Sirca Paints India Limited”.
2018	Our Company entered into a Distributorship Agreement with M/s Sirca SPA Italy.
2018	Our Company entered into a Manufacturing License Agreement with M/s Sirca SPA Italy for manufacturing Paints NC, Paints AC, Thinner and Sealer PU.
2018	Our Company Signed a Share Subscription and Shareholders Agreement with M/s Sirca SPA Italy dated 19 <sup>th</sup> February, 2018.

#### HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of the Red Herring Prospectus.

#### SUBSIDIARY OF OUR COMPANY

There is no subsidiary of our Company as on the date of filing of the Red Herring Prospectus.

## SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of the Red Herring Prospectus except that Our Company has entered into a Share Subscription and Shareholders Agreement with Sirca SPA Italy and Mr. Sanjay Agarwal, Mr. Apoorv Agarwal, Mr. Gurjit Singh Bains, BGB italia SRL, Mrs. Anita Agarwal, Mrs. Ayushi Agarwal, Mrs. Srishti Agarwal dated 19<sup>th</sup> February, 2018. The Following are some of the terms of the Share Subscription and Shareholders Agreement (SSSA):

- The Board shall comprise not more than 15 out of which the Investor shall have a right to nominate one Individual to be appointed as Director;
- The Investor has option to require the promoters to purchase all or part of the equity shares;
- The Agreement may be terminated on transfer of shares by Investors;
- The Investor shall have right for following information/documents:
  - A. Financial statements within 90days;
  - B. Quarterly consolidated financial statements within 7 days (performa) and within 10 days (Final report);
  - C. Within 7 days from the end of calendar month income statements, operational and financial information and balance sheets of the Company;
  - D. Copies of Minutes of Board meeting, Committee meetings and shareholders meeting within 30 days of occurrence of such meeting;

*A copy of the agreement may be inspected at the Registered Office of our Company at 504, NDM 2, Netaji Subhash Place Wazirpur, Pitampura, Delhi-110034 from 11.00 a.m. to 4.00 p.m. on working days from the date of the Red Herring Prospectus until the Issue Closing Date.*

## OTHER AGREEMENTS

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

## COLLABORATION

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009 except that Our Company has entered into a Manufacturing License Agreement with SIRCA SPA, a Company incorporated under the laws of Italy and having its registered office at Messanzago (PD), Vialc Roma 85, Postal Code 35010, Frazione San Dono, Italy wherein SIRCA SPA (hereinafter called as “the licensor”) has provided to our Company an Exclusive Right to manufacture in India the Following Products:

- Paints NC;
- Paints AC;
- Thinner;
- Sealer PU Topcoat

The Following are the some of the terms of the Manufacturing License Agreement (hereinafter called as “the Agreement/Licensee”):

- The products manufactured by the licensee pursuant to the agreement shall be marketed sale and distributed under the trademark “SIRCA” owned by the licensor or under such other trademark that the parties may decide upon jointly in writing;

- The Licensee shall not be entitled to manufacture the products outside India and the licensee shall not be entitled to actively market and sell the products manufactured pursuant to the agreement on territories other than India, Sri Lanka, Nepal and Bangladesh in absence of licensor's written authorization.
- The licensor shall assist the licensee with the set up of the production facility required for the manufacture of the products;
- The assistance of the licensor shall include assistance consultancy and assistance with respect to design of the production facility, including assistance to licensee's engineers and architects, consultancy and assistance in the process of the procurement of machineries required for the manufacturing of the products, consultancy and assistance in the procurement of the Material required for the manufacturing of the products, on site and remote trainings to senior staff of the Licensee for the purpose of further trainings of the employees of the licensee meant to be employed on the production lines;
- The licensee shall manufacture the products in compliance with the formula to be provided to the licensee by licensor;
- In consideration of the license granted by the licensor to the licensee and the assistance to be provided by the licensor to the licensee, licensee agrees to pay the licensor a fix fee in the amount of Six hundred thousand EURO (EUR 6,00,000) in the following manner:
  - o The first installment of three hundred thousand EURO (EUR 3,00,000) shall be paid within 30 days from the signing of this agreement;
  - o The second installment of three hundred EURO (EUR 3,00,000) shall be paid by the 1<sup>st</sup> January, 2019.

In addition to fix fee, a royalty fee equal to 0.15 EURO per kilogram or liter of product manufactured by the licensee in India and sold by the Licensee in India, Nepal, Bangladesh and/or elsewhere.

- The agreement, except as otherwise provided, shall be in full force and effect as of the date of execution the agreement by both parties and shall continue in effect for five (5) contractual years ("Initial terms") and after that, for indefinite term, unless any party communicates to the other party in writing its objection to the renewal after the Initial term at least 30 (thirty) days in advance to the expiry of the term.

*A copy of the agreement may be inspected at the Registered Office of our Company at 504, NDM 2, Netaji Subhash Place Wazirpur, Pitampura, Delhi-110034 from 11.00 a.m. to 4.00 p.m. on working days from the date of the Red Herring Prospectus until the Issue Closing Date.*

#### **STRATEGIC PARTNER**

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

#### **FINANCIAL PARTNER**

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

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since its incorporation.

#### **INJUNCTIONS OR RESTRAINING ORDERS**

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

#### **JOINT VENTURES**

As on the date of this Red Herring Prospectus, there are no joint ventures of our Company.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS**

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

#### **NUMBER OF SHAREHOLDERS**

Our Company has 9 (Nine) shareholders on date of the Red Herring Prospectus.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has Five (5) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
<b>1. Mr. Sanjay Agarwal</b> S/o Mr. Prag Das Agarwal JD-62D, Pitampura, Delhi - 110034 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five (5) from 14.11.2017 <b>DIN:</b> 01302479	57 Years	Managing Director	Nil
<b>2. Mr. Apoorv Agarwal</b> S/o Mr. Sanjay Agarwal JD-62D, Pitampura, Delhi - 110034 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five (5) years from 14.11.2017 <b>DIN:</b> 01302537	30 Years	Jt Managing Director	1. Italian Lifestyle Private Limited 2. IL Materasso Private Limited
<b>3. Mr. Gurjit Singh Bains</b> S/o Mr. Inderjit Singh Via Luigi, Boccherini (Mestre) 40, Milan, Italy-30171 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by Rotation <b>DIN:</b> 01977032	50 Years	Non Executive Non Independent Director	1. Italian Lifestyle Private Limited
<b>4. Mr. Sanjay Kapoor</b> S/o Mr. Sudhir Mitra Kapoor C-151, Vivek Vihar, Phase-1, Delhi - 110095 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five years from 14 <sup>th</sup> December, 2017 <b>DIN:</b> 00383275	53 Years	Independent & Non-Executive Director	Nil
<b>5. Mrs. Archana Agarwal</b> D/o Mr. Khem Raj Agarwal A-17, Sector-23,, Gautam Budha Nagar, Uttar Pradesh-201301	51 years	Independent & Non-Executive Director	Nil

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
<b>Occupation:</b> Professional <b>Nationality:</b> Indian Tenure: Five years from 3 <sup>rd</sup> January, 2018 DIN: 08038188			

**Note:**

As on the date of the Red Herring Prospectus:

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

#### DETAILS OF DIRECTORS

**Mr. Sanjay Agarwal:** aged 57 years, is Promoter and Managing Director of our Company. He is Chartered Accountant. He is having more than 20 years of Experience in wood coating Industry. He looks after day-to-day routine operational activities of our Company. With his multifunctional experience, He guides company in its growth strategies. He has been on the board of Company since Incorporation of the Company i.e. January, 2006.

**Mr. Apoorv Agarwal:** aged 30 years, is Promoter and Joint Managing Director of our Company. He holds the degree in Master in Finance and Marketing from IIPM and Degree of Commerce from University of Delhi. He is having more than 8 years of Experience in the Business of Italian Furniture and Italian wood coating Industry. He looks after day-to-day routine operational activities of our Company. He played an instrumental role towards increment of growth at our Company. He has been on the board of Company since Incorporation of the Company i.e. January, 2006.

**Mr. Gurjit Singh Bains:** aged 50 years, is Promoter and Non Executive Director of our Company. He is Master in economics from University of Venice. He is having more than 20 years of Experience in wood coating and Italian Furniture Industry. His business acumen has yielded the required results and with her tireless support to the company, facilitated the business to reach new heights all through. He has been on the board of Company since Incorporation of the Company i.e. January, 2006.

**Mr. Sanjay Kapoor:** aged 53 years, is Non Executive and Independent Director of our Company. He is MBBS and DCH (Diploma of Child Health) with 20 years of experience as Child Experience and padiatrics Department. He guide the Company in maintaing good health while working. He has been on the Board of the Company since December, 2017

**Mrs. Archana Agarwal:** aged 51 years, is Non Executive and Independent Director of our Company. She is Architect by profession and having more than 23 years experience in designing the buildings. She guide the Company in building strong infrastructure for future development. She has been on the Board of Company since January, 2018.

## CONFIRMATIONS

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

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

## NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

Except that Mr. Sanjay Agarwal is the father of Mr. Apoorv Agarwal, There is no family relationship among Directors.

## BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 3<sup>rd</sup> March, 2018, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 of the Companies Act, 2013 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 100 Crores.

## TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

<b>Name</b>	Mr. Sanjay Agarwal
<b>Designation</b>	Managing Director
<b>Period</b>	Five (5) Years from 14 <sup>th</sup> November, 2017.
<b>Date of Appointment</b>	14 <sup>th</sup> November, 2017
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 5,50,000 (Rupees Five Lacs fifty thousands) per month with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> <b>In the event of loss or inadequacy</b> of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.</p>
<b>Remuneration paid in FY 31<sup>st</sup> March, 2017</b>	Rs. 51,00,000

<b>Name</b>	Mr. Apoorv Agarwal
<b>Designation</b>	Joint Managing Director
<b>Period</b>	Five (5) Years from 14 <sup>th</sup> November, 2017.
<b>Date of Appointment</b>	14 <sup>th</sup> November, 2017

<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 2,00,000 (Rupees two lacs) per month with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> <b>In the event of loss or inadequacy</b> of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.</p>
<b>Remuneration paid in FY 31<sup>st</sup> March, 2017</b>	Rs. 15,00,000

## NON - EXECUTIVE DIRECTORS

Currently, non-executive Directors are not being paid sitting fees.

## CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, 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.

We have a Board constituted in compliance with the Companies Act and the as per the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has Four (5) Directors. We have Two (2) executive non-independent director, one (1) non-executive non-independent director and two (2) independent non executive directors. The Chairman of the Board is Mr. Sanjay Agarwal being Executive Director. The constitution of our Board is in compliance with the Companies Act, 2013.

**The following committees have been formed in compliance with the corporate governance norms:**

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee

## AUDIT COMMITTEE

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Section 177 of the Companies Act, 2013 vide resolution passed in the meeting of the Board of Directors held on 3<sup>rd</sup> January, 2018.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013. The committee presently comprises following three (3) directors. Mr. Sanjay Kapoor is the Chairman of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Sanjay Kapoor	Chairman	Independent Director
2.	Mrs. Archana Agarwal	Member	Independent Director
3.	Mr. Apoorv Agarwal	Member	Joint Managing Director

### Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. 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.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors any significant findings and follow up there on.
14. 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.

15. 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.
16. 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.
17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
18. 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.
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
20. Mandatorily reviews 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
21. Review the Financial Statements of its subsidiary company, if any.
22. Review the composition of the Board of Directors of its Subsidiary Company, if any.
23. Review the Vigil mechanism (whistle blowing) policy.
24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders Relationship Committee ("***Stakeholders relationship committee***") to redress the complaints of the shareholders. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 3<sup>rd</sup> January, 2018. The committee currently comprises of three (3) Directors. Mrs. Archana Agarwal is the Chairperson of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mrs. Archana Agarwal	Chairperson	Independent Director
2.	Mr. Sanjay Kapoor	Member	Independent Director
3.	Mr. Gurjit Singh Bains	Member	Non Executive & Non Independent Director

### Role of stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.



## NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination and remuneration Committee ("**Nomination and Remuneration Committee**"). The Nomination and Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 3<sup>rd</sup> January, 2018. The Committee currently comprises of three (3) Directors. Mrs. Archana Agarwal is the Chairperson of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mrs. Archana Agarwal	Chairperson	Independent Director
2.	Mr. Sanjay Kapoor	Member	Independent Director
3.	Mr. Gurjit Singh Bains	Member	Non Executive & Non Independent Director

The terms of reference of the Committee are as follows:

- The Committee recommends to the board the compensation terms of the executive directors.
- The Committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The Committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

## Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Mr. Chahat Mahajan is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

## SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Red Herring Prospectus:

Name of the Directors	No. of Equity Shares	Pre-Issue percentage Shareholding
Mr. Sanjay Agarwal	58,79,646	43.88
Mr. Apoorv Agarwal	3,69,000	2.75
Mr. Gurjit Singh Bains	25,77,465	19.24
<b>TOTAL</b>	<b>88,26,111</b>	<b>65.87</b>

## INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

## PROPERTY INTEREST

Except as disclosed in the section titled “Our Business” on page 123, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

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

Name	Date of Appointment	Date of Cessation	Reason
Mr. Sanjay Agarwal	14 <sup>th</sup> November, 2017	-	Appointed as Managing Director
Mr. Apoorv Agarwal	14 <sup>th</sup> November, 2017	-	Appointed as Joint Managing Director
Mr. Sanjay Kapoor	14 <sup>th</sup> December, 2017	-	Appointment as an Independent Director
Mrs. Archana Agarwal	3 <sup>rd</sup> January, 2018	-	Appointment as an Independent Director

## KEY MANAGERIAL PERSONNEL

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

The following key personnel assist the Management of our Company:

Name	Date of Joining	Designation	Functional Responsibilities	Qualification
Mr. Sanjay Agarwal	14 <sup>th</sup> November, 2017	Managing Director	Overall Management	Chartered Accountant
Mr. Apoorve Agarwal	14 <sup>th</sup> November, 2017	Joint Managing Director	Overall Management	B.Com and MBA (Finance and Marketing)
Mr. Chahat Mahajan	21 <sup>st</sup> February,	Company	Drafting of agreements,	CS, B.Com

Name	Date of Joining	Designation	Functional Responsibilities	Qualification
	2018	Secretary & Compliance Officer	drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 2013.	
Mr. Bharat Bhushan Arora	26 <sup>th</sup> December, 2017	Chief Financial Officer	Accounts and Finance	M.Com

#### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Mr. Sanjay Agarwal:** aged 57 years, is Promoter and Managing Director of our Company. He is Chartered Accountant. He is having more than 20 years of Experience in wood coating Industry. He looks after day-to-day routine operational activities of our Company. With his multifunctional experience, He guides company in its growth strategies. He has been on the board of Company since Incorporation of the Company i.e. January, 2006.

**Mr. Apoorv Agarwal:** aged 30 years, is Promoter and Managing Director of our Company. He holds the degree in Master in Finance and Marketing from IIPM and Degree of Commerce from University of Delhi. He is having more than 8 years of Experience in the Business of Italian Furniture and Italian wood coating Industry. He looks after day-to-day routine operational activities of our Company. He played an instrumental role towards increment of growth at our Company. He has been on the board of Company since Incorporation of the Company i.e. January, 2006.

**Mr. Chahat Mahajan** is Company Secretary & Compliance Officer of our Company. He is an associate member of Institute of Companies Secretaries of India and Commerce Graduate. He is associated with our Company from February, 2017. His scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 2013.

**Mr. Bharat Bhushan Arora** is Chief Financial officer of the Company. He is Master in Commerce. He is having more than 30 years experience in finance and accounts related fields and responsible to the Company's Board of Directors for all accounting and financial matters, risk management of the Company, development of the financial and operational strategy. He is associated with our Company from December, 2017.

#### FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Except that Mr. Sanjay Agarwal is father of Mr. Apoorv Agarwal, there is no family relationship between the key managerial personnel of our Company.

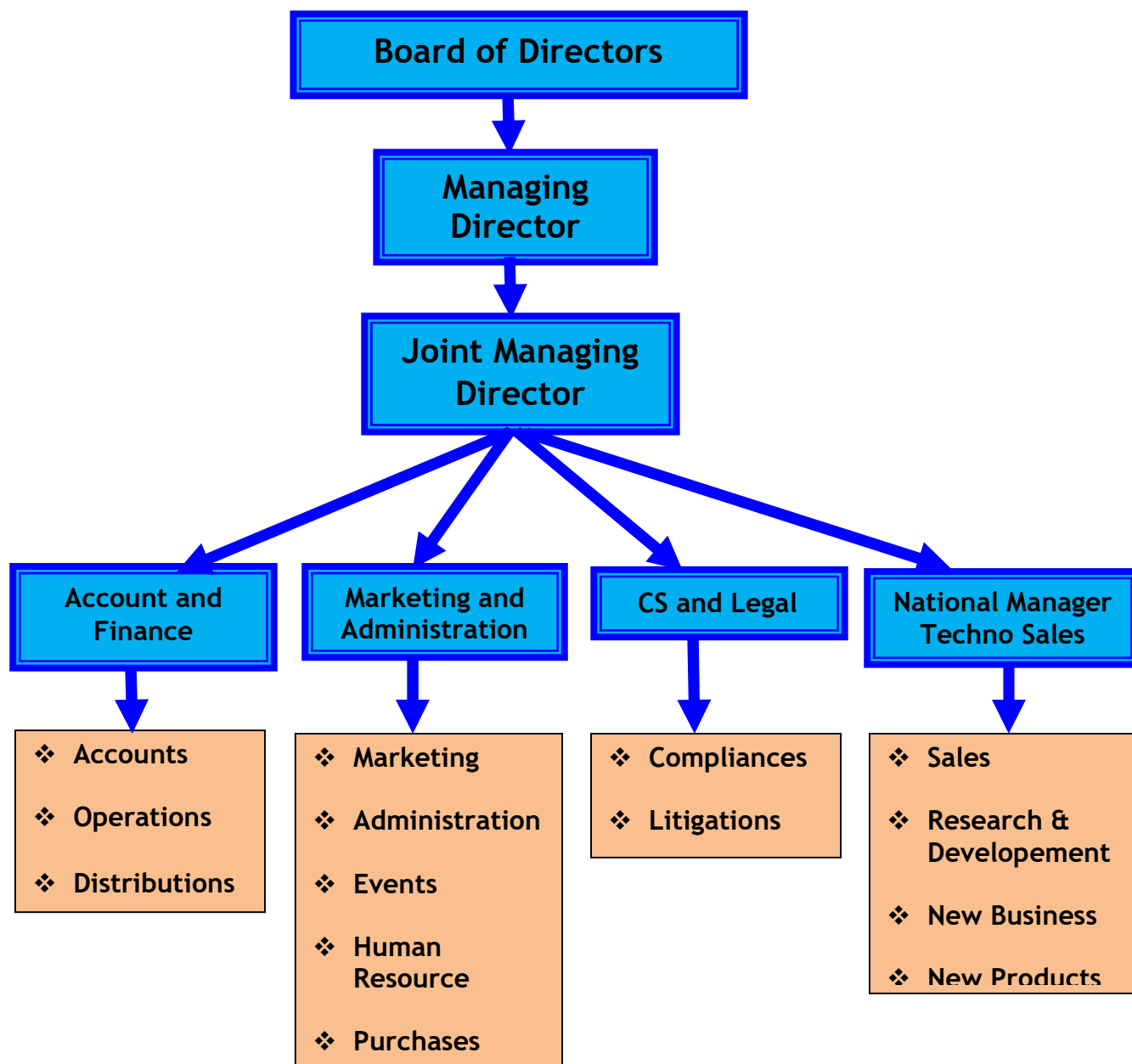
#### ALL KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY

#### SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Apart from below mentioned shareholding of Key Managerial Personnel, none of the key managerial personnel holds any Equity Shares of our Company.

Name	Designation	Shares held
Mr. Sanjay Agarwal	Managing Director	58,79,646
Mr. Apoorv Agarwal	Joint Managing Director	3,69,000
<b>Total</b>		<b>62,48,646</b>

## ORGANISATION STRUCTURE



## BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

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

## LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against Key Managerial Personnel as on 31<sup>st</sup> December, 2017.

## CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS

There are changes in the Key Managerial Employees of the Issuer during the last three (3) years are as follows.

Name	Date of Appointment	Date of Cessation	Reason
Mr. Sanjay Agarwal	14 <sup>th</sup> November, 2017	-	Appointment
Mr. Apoorv Agarwal	14 <sup>th</sup> November, 2017	-	Appointment
Ms. Chanchal Gupta	20 <sup>th</sup> November, 2017	21 <sup>st</sup> February, 2018	Appointment and Resignation
Mr. Bharat Bhushan Arora	26 <sup>th</sup> December, 2017	-	Appointment
Mr. Chahat Mahajan	21 <sup>st</sup> February, 2018	-	Appointment

## EMPLOYEES STOCK OPTION SCHEME

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

## PAYMENT OR BENEFIT TO OUR OFFICERS

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


## OUR PROMOTERS

The Promoters of our Company are:

1. Mr. Sanjay Agarwal
2. Mr. Apoorv Agarwal
3. Mr. Gurjit Singh Bains

### DETAILS OF OUR PROMOTERS ARE AS UNDER


#### 1. Mr. Sanjay Agarwal

	<p><b>Mr. Sanjay Agarwal:</b> aged 57 years, is Promoter and Managing Director of our Company. He is Chartered Accountant. He is having more than 20 years of Experience in wood coating Industry. He looks after day-to-day routine operational activities of our Company. With his multifunctional experience, He guides company in its growth strategies. He has been on the board of Company since Incorporation of the Company i.e. January, 2006.</p>
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#### Identification

Name	Mr. Sanjay Agarwal
Permanent Account Number	AACPA8997L
Passport No.	J4777302
Voter ID	-
Driving License	-
Bank Account Details	Yes Bank, 018490700001924, IFSC: YESB0000184 HDFC BANK, 01581000019806, IFSC: HDFC000158
AADHAR Number	792766237669

#### 2. Mr. Apoorv Agarwal

	<p><b>Mr. Apoorv Agarwal:</b> aged 30 years, is Promoter and Managing Director of our Company. He holds the degree in Master in Finance and Marketing from IIPM and Degree of Commerce from University of Delhi. He is having more than 8 years of Experience in the Business of Italian Furniture and Italian wood coating Industry. He looks after day-to-day routine operational activities of our Company. He played an instrumental role towards increment of growth at our Company. He has been on the board of Company since Incorporation of the Company i.e. January, 2006.</p>
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#### Identification

Name	Mr. Apoorv Agarwal
Permanent Account Number	AHVPA2618Q



Passport No.	G5140566
Voter ID	-
Driving License	-
Bank Account Details	YES BANK, 018490700002512, IFSC: YESB0000184
AADHAR Number	298127552364

### 3. Mr. Gurjit Singh Bains

	<p><b>Mr. Gurjit Singh Bains:</b> aged 50 years, is Promoter and Non Executive Director of our Company. He is Master in economics from University of Venice. He is having more than 20 years of Experience in wood coating and Italian Furniture Industry. His business acumen has yielded the required results and with her tireless support to the company, facilitated the business to reach new heights all through. He has been on the board of Company since Incorporation of the Company i.e. January, 2006.</p>
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#### Identification

Name	Mr. Gurjit Singh Bains
Permanent Account Number	CGPPB7710R
Passport No.	J5437959
Voter ID	-
Driving License	VE5223811M
Bank Account Details	YES BANK, 018490400000928, IFSC: YESB0000184
AADHAR Number	-

*For additional details on the age, background, personal address, educational qualifications, experience, positions/posts held in the past, terms of appointment as Directors and other directorships of our Promoters, please see the Chapter titled “Our Management” beginning on page 163 of this Red Herring Prospectus*

*For details of the build-up of our Promoters’ shareholding in our Company, please see the chapter titled “Capital Structure” beginning on page 63 of this Red Herring Prospectus.*

#### OTHER UNDERTAKINGS AND CONFIRMATIONS

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

#### COMMON PURSUITS OF OUR PROMOTERS

Our Promoters do not have any common pursuits and are not engaged in the business similar to those carried out by our Company.

#### INTEREST OF THE PROMOTERS

##### Interest in the promotion of Our Company

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other

distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner. In addition, our Promoters, being Director may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled “*Our Management*” on page 163 of this Red Herring Prospectus.

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

Except as given in the chapters titled Our Business beginning on page 123, Our Promoters do not have any interest in any property acquired / taken on license basis by our Company within the period of two years from the date of this Red Herring Prospectus, or proposed to be acquired/ to be taken on license by us as on date of filing the Red Herring Prospectus.

#### **Interest as Member of our Company**

As on the date of this Red Herring Prospectus, our Promoters and Promoter Group collectively hold 1,23,00,000 of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided in the section titled ‘*Terms of appointment and compensation of our Directors*’ on page 165, our Promoters does not hold any other interest in our Company.

#### **Interest as a creditor of our Company**

Except as given in the chapters titled Financial Statement and Related Party Transactions beginning on pages 183 and 181 of this Red Herring Prospectus, our Promoters do not have any interest as Creditor of our company.

#### **Interest as Director of our Company**

Except as given in the chapters titled Our Management, Financial Statements and Capital Structure beginning on page 163, 183 and 63 respectively of this Red Herring Prospectus, our Promoters/Director, may deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

Also see “Our Management-Interest of Directors” on page 170 of Red Herring Prospectus.

#### **Interest as Key Managerial Personnel of our Company.**

Mr. Sanjay Agarwal is the Chairman and Managing Director and Mr. Apoorv Agarwal is the Joint Managing Director of the Company and hence, they are Key Managerial Personnel of the Company and may be deemed to be interested to the extent of remuneration, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company. For further details, please refer to section titled Our Management and section titled Related Party Transaction on page 163 and 181 respectively of this Red Herring Prospectus.

#### **Other Indirect Interest**

Except as stated in Financial Statements beginning on page 183 of this Red Herring Prospectus none of our sundry debtors or beneficiaries of loans and advances are related to our Promoters.

#### **PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTERS DURING THE LAST TWO YEARS**

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Red Herring Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure' on page 163, 183 and 63 respectively of this Red Herring Prospectus. Further as on the date of the Red Herring Prospectus, there is no bonus or profit sharing plan for our Promoters.

#### **CONFIRMATIONS**

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled "*Outstanding Litigation and Material Developments*" on page 232 of the Promoters. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

#### **RELATED PARTY TRANSACTIONS**

Except as disclosed in the section titled "*Related Party Transactions*" beginning on page 181, our Company has not entered into any related party transactions with our Promoters.

## OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES

### PROMOTER GROUP INDIVIDUALS

The following natural persons (being the immediate relative of our Promoter) form part of our Promoter Group:

#### Relatives of Promoters:

Relationship	Mr. Sanjay Agarwal	Mr. Apoorv Agarwal	Mr. Gurjit Singh Bains
Spouse	Anita Agarwal	Srishti Agarwal	Harmik Kaur***
Father	Prag Das Garg	Sanjay Agarwal	Lt. Dr. Inderjeet Singh**
Mother	Santosh Garg	Anita Agarwal	Rajinder Kaur
Brother	-	-	Surjit Singh Bains
Sister	Aarti Goel, Rooma Agarwal*	Ayushi Agarwal	-
Son	Apoorv Agarwal	-	Arman Singh Bain, Ayan Singh Bain***
Daughter	Ayushi Agarwal	Vanya Agarwal***	-
Spouse's Father	Lt. Nemi Chand Goel**	Sanjay Gupta	Nachhatter Singh
Spouse's Mother	Lt. Sharda Mittal**	Seema Gupta	Gurmeet Kaur***
Spouse's Sister	-	-	Amarddip Kaur***
Spouse's Brother	Gauri Mittal	Yanswanth Gupta	Hardip Singh Atwal

\*Mrs. Aarti Goel, Mrs. Rooma Agarwal, being immediate relatives of our Promoter do not form part of the Promoter Group of the Company. Moreover, they do not own shareholding in our Company and are also not involved in the business of our Company. Our Promoter has confirmed/submitted that the information related to them and/or business/financial interest held by these relatives is not accessible for the purpose of disclosure in the Red Herring Prospectus/Red Herring Prospectus/Prospectus and consequently, their entities should not be considered to be part of the "Promoter Group" and "Group Companies. Therefore, though there are no formal disassociation arrangements they are not treated as part of Promoter Group and the disclosures made in this Red Herring Prospectus are limited to the extent of Information that has been made available by our Promoter in relation to promoter Group and Group Companies.

\*\*Lt. Nemi Chand Goel, Lt. Sharda Mittal, Lt Dr. Inderjeet Singh are not alive as on the date of Red Herring Prospectus and Our Promoter has confirmed/submitted that they did not own shareholding in our Company and were also not involved in the business of our Company and the information related to them and/ or business/financial interest held by these relatives is not accessible for the purpose of disclosure in the Red Herring Prospectus/Red Herring Prospectus/Prospectus and consequently, their entities should not be considered to be part of the "Promoter Group" and "Group Companies.

\*\*\*Our Promoter has confirmed/submitted that the PAN of the Ms. Vanya Agarwal has not been applied till date and Also, Our promoter has confirmed/submitted that PAN of Mrs. Harmik Kaur, Mr. Arman Singh Bain, Ayan Singh Bain, Mrs. Gurmeet Kaur and Mrs. Amarddip Kaur are not applicable on them as they are not having Indian Citizenship. Our promoter has also confirmed/ Submitted that they do not own shareholding in our Company and are also not involved in the business of our Company and the information related to them and/ or business/financial interest held by these relatives is not accessible for the purpose of disclosure in the Red Herring Prospectus/Red Herring Prospectus/Prospectus and consequently, their entities should not be considered to be part of the "Promoter Group" and "Group Companies.

## PROMOTER GROUP COMPANIES AND ENTITIES

As specified in clause 2 (zb) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of our Promoter Group are as follows:

S.No.	Name of Entity
1.	M/s. BGB Italia SRL
2.	M/s. Italian Lifestyle Private Limited*
3.	M/s. Il Materasso Private Limited*
4.	DM Designs (Proprietor firm of which Mr. Apoorv Agarwal is Proprietor)

*\*These companies are under process of striking off from the records of ROC. Application for striking off M/s Italian Lifestyle Private Limited was made on 10<sup>th</sup> October, 2017 and application for striking off M/s Il Materasso Private Limited was made on 9<sup>th</sup> October, 2017 to ROC.*

## RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Promoters	Directors	Relationship
Mr. Sanjay Agarwal	Mr. Apoorv Agarwal	Father
Mr. Apoorv Agarwal	Mr. Sanjay Agarwal	Son

## GROUP ENTITIES OF OUR COMPANY

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of 'group companies/entities', our Company has considered companies as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) on a consolidated basis, or other companies as considered material by our Board. Pursuant to a resolution of our Board dated 24<sup>th</sup> February, 2018, for the purpose of disclosure in offer documents for the Issue, a company shall be considered material and will be disclosed as a Group Entity if such company forms part of the Promoter Group, and our Company has entered into one or more transactions with such company in the previous audit fiscal year / period cumulatively exceeding 20% of the total revenue of our Company for such fiscal.

Based on the above, our Company do not have any group entities.

## COMMON PURSUITS

None of our group company has common pursuits with our company and also these companies do not have any non-compete agreements in place amongst themselves, there is a conflict of interest between our Company and Group Company.

## LITIGATION/ DEFAULTS

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 232 of this Red Herring Prospectus.

## DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTERS OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS

Our Promoters have not disassociated with any of entity during the preceding three (3) years from the date of Red Herring Prospectus except as detailed below:

S.No.	Name of Entity	Reason for Disassociation	Date of Application to ROC
<b>Mr. Apoorv Agarwal</b>			
1.	M/s. Italian Lifestyle Private Limited	Under process of striking off	10.10.2017
2.	M/s. Il Materasso Private Limited	Under process of striking off	09.10.2017
<b>Mr. Gurjit Singh Bains</b>			
1.	M/s. Italian Lifestyle Private Limited	Under process of striking off	10.10.2017

## INTEREST OF PROMOTER GROUP COMPANIES

Our Promoter Group companies are interested parties to the extent of their shareholding in the Company, if any dividend and distributions which may be made by the Company in future and to the extent of the related party transactions disclosed in the section titled “*Related Party Transactions*” beginning on page 181 of the Red Herring Prospectus.

## CHANGE IN CONTROL

Except as stated in the chapter titled “Our Management” regarding Changes in our Company’s Board of Directors during the last three years and Changes in our Company’s Key Managerial Personnel during the last three years” beginning on page 163 of this Red Herring Prospectus, there has been no change in the management or control of our Company in the last three years. For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled Outstanding Litigation and Material Developments beginning on page 232 of this Red Herring Prospectus.

## RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 181 under section titled as “*Related Party Transactions*”.

## SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

## SICK COMPANIES

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

## CONFIRMATION

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.

For other confirmations of the Our Promoters and Group Companies, please see the section Other Regulatory and Statutory Disclosures on page 240. Additionally, neither the Promoters nor any of the Group Companies have become defunct in the five years preceding the filing of the Red Herring Prospectus.



## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 27 of restated financial statement under the section titled “*Financial Statements*” on page 181 of the Red Herring Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the 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 in the preceding five financial years.

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

## SECTION V: FINANCIAL STATEMENTS

### Independent Auditors' Report

To,  
The Board of Directors,  
Sirca Paints India Limited  
(U24219DL2006PLC145092)  
504, NDM-II, Netaji Subhash Place Wazirpur,  
Pitampura, New Delhi-110 034  
Delhi, India

Dear Sirs,

We have examined the Financial Information of Sirca Paints India Limited (the Company) described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, ('the Act'), The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on 26<sup>th</sup> August, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company.

The Financial Information has been approved by its Board of Directors.

Audit for the financial years ended 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 was conducted by M/s. Khatuwala & Associates, Chartered Accountants and Audit for period ended 31<sup>st</sup> December, 2017 was conducted by M/s. Rajesh Kukreja & Associates, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years / periods.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Sirca Paints India Limited, We, M/s. Ramanand & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

#### **A. Financial Information as per Audited Financial Statements:**

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 (Annexure 3);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and December 30, 2017 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- An adjustment in Financial Statements has been made in accordance with the correct accounting policies.
- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".
- There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".
- There are no audit qualifications in the "Restated Financial Statements" except the fact that the Company has reported non compliance of Accounting Standard-15 in nature of retirements benefits for the year ended March 31, 2013, 2014, 2015, 2016, 2017 & December 31, 2017 issued by the Institute of Chartered Accountants of India .Hence Gratuity Provisions are not made.

#### **B. Other Financial Information:**

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at December 31, 2017 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2013, 2014, 2015, 2016 and 2017 as set out in **Annexure 8** to this report.
5. Statement of Long Term Borrowings for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 9** to this report.

6. Statement of Short Term Borrowings for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 10** to this report.
7. Statement of Details of Current Liabilities & Provisions of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 11** to this report.
8. Statement of Details of Tangible Assets of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 12** to this report.
9. Statement of Details of Capital Work in Progress of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 13** to this report.
10. Statement of Details of Non Current Investments of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 14** to this report.
11. Statement of Details of Inventories of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 15** to this report.
12. Statement of Details of Trade Receivables of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 16** to this report.
13. Statement of Details of Cash and Bank Balances of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 17** to this report.
14. Statement of Details of Short Term Loans & Advances as at March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 18** to this report.
15. Statement of Details of Other Current Assets as at March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 19** to this report.
16. Statement of Details of Revenue from Operations of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 20** to this report.
17. Statement of Details of Other Income of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 set out in **Annexure 21** to this report.
18. Statement of Details of Cost of Purchases of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 set out in **Annexure 22** to this report.
19. Statement of Details of Changes in Inventories of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 set out in **Annexure 23** to this report.
20. Statement of Details of Employee Benefit Expenses of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 set out in **Annexure 24** to this report.
21. Statement of Details of Administrative, Selling and Other Expenses of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 set out in **Annexure 25** to this report.
22. Statement of Details of Financial Expenses of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 set out in **Annexure 26** to this report.
23. Statement of Details of Related Party Transactions of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 as set out in **Annexure 27** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 27 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or redating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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

**For Ramanand & Associates.**

**Chartered Accountants**

Firm Registration No.-117776W

Sd/-

**Ramanand Gupta**

**Partner**

**Membership No. 103975**

Place: Mumbai

Date: 17<sup>th</sup> March, 2018



ANNEXURE-01

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Equity &amp; Liabilities</b>						
<b>Shareholders' Funds</b>						
Share Capital	1230.00	10.00	10.00	10.00	10.00	10.00
Reserve & Surplus	3614.43	3,402.86	2,032.52	1,304.90	688.05	490.93
<b>Total (A)</b>	<b>4844.43</b>	<b>3,412.86</b>	<b>2,042.52</b>	<b>1,314.90</b>	<b>698.05</b>	<b>500.93</b>
<b>Non Current Liabilities</b>						
Share Application Money	-	-	-	-	-	-
Long Term Borrowings	42.30	13.49	23.18	43.90	125.20	169.17
Deferred Tax Liabilities (Net)	-	-	-	-	3.31	1.86
Other Long Term Liabilities	-	-	-	-	-	-
Long Term Provisions	-	-	-	-	-	-
<b>Total (B)</b>	<b>42.30</b>	<b>13.49</b>	<b>23.18</b>	<b>43.90</b>	<b>128.51</b>	<b>171.03</b>
<b>Current Liabilities</b>						
Short Term Borrowings	867.81	371.98	1,044.75	1,137.00	1,097.47	621.81
Trade Payables	1353.56	936.52	590.44	296.72	756.26	748.55
Other Current Liabilities	452.65	608.39	415.68	215.75	127.37	107.18
Short Term Provisions	758.00	788.01	391.00	333.25	102.39	24.15
<b>Total (C)</b>	<b>3432.03</b>	<b>2,704.90</b>	<b>2,441.87</b>	<b>1,982.72</b>	<b>2,083.49</b>	<b>1,501.69</b>
<b>Total (D=A+B+C)</b>	<b>8318.75</b>	<b>6,131.25</b>	<b>4,507.57</b>	<b>3,341.52</b>	<b>2,910.05</b>	<b>2,173.65</b>
<b>Assets</b>						
<b>Non Current Assets</b>						
<b>Fixed Assets:</b>						
(i) Tangible Assets	976.17	661.67	222.93	213.94	226.89	237.13
(ii) Intangible Assets	-	-	-	-	-	-
(iii) Capital Work in Progress	-	110.29	-	-	-	-
(iv) Intangible Assets under development	-	-	-	-	-	-
Long Term Loans & Advances	-	-	-	-	-	-
Non Current Investments	316.21	214.19	264.70	213.83	220.83	177.17
Deferred Tax Assets (Net)	9.22	9.53	6.75	1.76	-	-
Other Non Current Assets	-	-	-	-	-	-
<b>Total (E)</b>	<b>1301.60</b>	<b>995.68</b>	<b>494.38</b>	<b>429.53</b>	<b>447.72</b>	<b>414.30</b>
<b>Current Assets</b>						
Current Investments	-	-	-	-	-	-
Inventories	1,749.67	1,014.67	603.89	353.84	507.69	550.72

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Trade Receivables	3,249.31	2,399.55	1,597.94	1,114.67	1,160.05	922.52
Cash & Bank Balances	1,294.57	1,333.49	1,493.28	1,272.58	706.43	135.06
Short Term Loans & Advances	20.39	8.45	3.58	0.46	1.64	84.76
Other Current Assets	703.21	379.41	314.50	170.44	86.52	66.29
<b>Total (F)</b>	<b>7,017.15</b>	<b>5,135.57</b>	<b>4,013.19</b>	<b>2,911.99</b>	<b>2,462.33</b>	<b>1,759.35</b>
<b>Total (G=E+F)</b>	<b>8318.75</b>	<b>6,131.25</b>	<b>4,507.57</b>	<b>3,341.52</b>	<b>2,910.05</b>	<b>2,173.65</b>

ANNEXURE-02

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Income</b>						
Revenue from Operations	6395.28	8,251.01	7,054.57	6,525.45	5,552.35	3,431.92
Other Income	75.01	183.16	211.52	451.40	(144.35)	(29.63)
<b>Total</b>	<b>6470.29</b>	<b>8,434.17</b>	<b>7,266.09</b>	<b>6,976.85</b>	<b>5,408.00</b>	<b>3,402.29</b>
<b>Expenditure</b>						
Cost of Purchases of Stock in trade	3703.40	5,302.33	5,178.08	4,844.10	4,310.06	2,411.14
Changes in Inventories of Stock in Trade	(735)	(409.45)	(251.37)	153.85	43.03	(271.64)
Employee Benefit Expenses	419.79	375.66	261.75	197.71	190.93	145.45
Administrative, Selling and Other Expenses	807.43	959.54	902.09	769.63	500.69	920.42
<b>Total</b>	<b>4195.62</b>	<b>6,228.08</b>	<b>6,090.55</b>	<b>5,965.29</b>	<b>5,044.71</b>	<b>3,205.37</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>2274.67</b>	<b>2,206.09</b>	<b>1,175.54</b>	<b>1,011.56</b>	<b>363.29</b>	<b>196.92</b>
Depreciation & Amortisations	48.10	39.71	51.47	45.88	25.60	23.81
Preliminary Expenses Written Off	-	-	-	-	-	-
<b>Profit before Interest &amp; Tax</b>	<b>2226.57</b>	<b>2,166.38</b>	<b>1,124.07</b>	<b>965.68</b>	<b>337.69</b>	<b>173.11</b>
Financial Expenses	8.31	10.80	10.44	19.61	36.74	97.67
Exceptional Items	-	-	-	-	-	-
<b>Net Profit before Tax</b>	<b>2218.26</b>	<b>2,155.58</b>	<b>1,113.63</b>	<b>946.07</b>	<b>300.95</b>	<b>75.44</b>
<b>Less: Provision for Taxes:</b>						
Current Tax	758.00	788.01	391.00	333.25	102.40	24.15
Deferred Tax	(0.31)	(2.77)	(4.99)	(5.06)	1.44	0.89
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>1459.95</b>	<b>1,370.34</b>	<b>727.62</b>	<b>617.88</b>	<b>197.11</b>	<b>50.40</b>
Extra Ordinary Items	-	-	-	-	-	-
<b>Net Profit</b>	<b>1459.95</b>	<b>1,370.34</b>	<b>727.62</b>	<b>617.88</b>	<b>197.11</b>	<b>50.40</b>

ANNEXURE-03

STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before taxes	2218.26	2,155.58	1,113.63	946.07	300.95	75.44
Adjustment for:						
Add: Depreciation & Amortizations	48.10	39.71	51.47	45.88	25.60	23.81
Add: Financial Expenses	8.31	10.80	10.44	19.61	36.74	97.67
Add: Preliminary Expenses Written Off.	-	-	-	-	-	-
Operating Profit before Working capital changes	2274.67	2,206.09	1,175.54	1,011.56	363.29	196.92
Adjustments for:						
Decrease (Increase) in Inventories	(735.00)	(410.78)	(250.05)	153.85	43.03	(271.63)
Decrease (Increase) in Trade & Other Receivables	(849.76)	(801.61)	(483.27)	45.38	(237.53)	(33.57)
Decrease (Increase) in Short Term Loans & Advances (Excl Taxes)	(667.32)	(4.87)	(3.12)	1.18	83.12	(83.54)
Decrease (Increase) in Other Current Assets	273.88	(14.24)	(20.75)	0.49	21.65	131.31
Increase (Decrease) in Trade Payables	417.04	346.08	293.72	(459.54)	7.71	216.86
Increase (Decrease) in Short Term Provisions (Excl Taxes)	220.73	-	0.81	(0.81)	-	-
Increase (Decrease) in Other Current Liabilities	(166.40)	203.37	199.93	88.38	20.19	45.59
Net Changes in Working Capital	(1,506.83)	(682.05)	(262.73)	(171.07)	(61.83)	5.02
Cash Generated from Operations	767.84	1,524.04	912.81	840.49	301.46	201.94
Taxes	(951.05)	(441.67)	(457.37)	(185.99)	(66.04)	(49.80)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(183.21)</b>	<b>1,082.37</b>	<b>455.44</b>	<b>654.50</b>	<b>235.42</b>	<b>152.14</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Sale / (Purchase) of Fixed Assets and CWIP	(280.69)	(588.74)	(60.46)	(33.96)	(15.36)	(19.69)
Decrease (Increase) in Investments	(102.02)	50.51	(50.87)	7.00	(43.66)	(177.17)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(382.71)</b>	<b>(538.23)</b>	<b>(111.33)</b>	<b>(26.96)</b>	<b>(59.02)</b>	<b>(196.86)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	-	-	-
Interest & Finance Charges	(8.31)	(10.80)	(10.44)	(19.61)	(36.74)	(97.67)
Preliminary Expenses Incurred	-	-	-	-	-	-
Increase / (Repayment) of Long Term Borrowings	39.47	(20.35)	(20.72)	(81.30)	(43.97)	(398.79)
Increase / (Repayment) of Short Term Borrowings	495.83	(672.77)	(92.25)	39.53	475.66	288.28
Decrease (Increase) in Long Term Loans & Advances	-	-	-	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>526.99</b>	<b>(703.92)</b>	<b>(123.41)</b>	<b>(61.38)</b>	<b>394.95</b>	<b>(208.18)</b>

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Net Increase / (Decrease) in Cash & Cash Equivalents	(38.93)	(159.78)	220.70	566.16	571.35	(252.90)
Cash and cash equivalents at the beginning of the year / Period	1,333.49	1,493.28	1,272.58	706.43	135.06	387.97
Cash and cash equivalents at the end of the year/ Period	1294.56	1,333.49	1,493.28	1,272.58	706.43	135.06

#### Annexure-04

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

#### A. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Basis of Preparation of Financial Statements

- The Restated Financial Information for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017 has been extracted by the management of the Company from the audited financial statements of the company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and December 31, 2017.
- The Restated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B(1) of Part II of Schedule II of The Companies Act and SEBI Regulations.
- The Financial Statements have been prepared under Historical Cost conventions and in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956 & 2013.
- The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

##### 2. Use of Estimates

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

##### 3. Fixed Assets and Depreciation

- Fixed Assets are shown at historical cost net of recoverable taxes inclusive of incidental expenses less accumulated depreciation.
- Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation.

- ii. Depreciation on fixed assets is provided on written down value method using the rates arrived at based on the rates prescribed in the Schedule III to the Companies Act, 2013.
- iii. Depreciation on fixed assets sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

#### **4. Revenue Recognition**

Revenue is recognized only when it is probable that economic benefits will flow to the company and revenue can be reliably measured.

Revenue from sale of services is recognized pro rata over the period of the contract as and when services are rendered. It is difficult to identify the completion of work due to complexity of the services rendered. Hence the management's confirmation is accepted in identifying the above.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

#### **5. Investments**

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

#### **6. Impairment of Assets**

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

#### **7. Borrowing Costs**

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

#### **8. Taxation**

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

#### **9. Leases**

##### **Finance Lease**

Leases, which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income life of the assets at the following rates

#### **Operating Lease**

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

### **10. Preliminary Expenses**

Preliminary expenses are amortized as per AS-26 issued by ICAI.

### **11. Earnings per Share**

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

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

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

### **12. Contingent Liabilities & Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for:

- a. Possible obligation which will be confirmed only by future events not wholly within the control of the company, or
- b. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

### **13. Foreign Exchange Transactions**

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the yearend are restated at year-end rates. In case of items, which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.



- iii. Non-monetary foreign currency items are carried at cost.
- iv. In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year-end rates.
- v. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and loss account except in case of long-term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

## B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS.

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

## . NOTES ON RESTATED FINANCIAL STATEMENTS

### NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

(Rs. in Lacs)

Financial Year ended	December 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>
	2017	2017	2016	2015	2014	2013
Profit after tax as per Audited Statement of Account(A)	1459.96	1,370.34	727.62	617.88	197.11	50.40
Adjustments*:	-	-	-	-	-	-
Profit after tax as per Restated Profit & Loss(A)	1459.96	1,370.34	727.62	617.88	197.11	50.40

\* There are no major items requiring adjustments in profit and loss account, however following grouping has been carried out:

- Advances Taxes and TDS etc has been regrouped under "Other Current Assets" instead of "Short Term Loans & Advances"
- In order to bring in uniformity, foreign exchange fluctuation gain / (loss) and Insurance claims has been clubbed under "Other Income"

### (III) OTHER NOTES

#### General

1. The Company was originally incorporated at New Delhi as "Sircolor Wood Coatings Private Limited" on 19<sup>th</sup> January, 2006 under the provisions of the Companies Act, 1956. Thereafter, the Name of the Company was changed to "Sirca Paints India Private Limited" vide fresh certificate of incorporation dated 3<sup>rd</sup> May, 2017 issued by the Registrar of Companies, Delhi. Consequent upon Conversion of the Company into public Limited Company, the Name of Company was changed to Sirca Paints India Limited vide Fresh Certificate of Incorporation dated 17<sup>th</sup> January, 2018 issued by Registrar of Companies, Delhi.

#### 2. Contingent liabilities

There are no contingent liabilities

### 3. Dues to Micro enterprises and Small enterprises:

Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosure is required to be made related to micro, small and medium enterprise. The company has disclosed the same.

### 4. Segment Reporting

The company operates only in one reportable business segment viz. sole distribution of Sirca wood coatings, Italy and product range includes all PU products, saints, special effects, acrylic, PU, Polyester etc. Hence, there are no reportable segments under Accounting Standard -17. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.

5. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

### 6. Earnings per Share

The details of Earnings Per Share as per AS-20 are provided in Annexure 06.

### 7. Related Party Transactions:

The details of Related Party Transactions as per AS-18 are provided in Annexure 24.

8. The figures in the Restated Financials are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

## Annexure- 05

### STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lacs)

Particulars	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
General Reserves	81.00	81.00	81.00	81.00	81.00	81.00
Securities Premium Brought Forward	-	-	-	-	-	-
Add: Premium on Shares Issued during the year						
<b>Securities Premium Carried Forward (A)</b>	<b>81.00</b>	<b>81.00</b>	<b>81.00</b>	<b>81.00</b>	<b>81.00</b>	<b>81.00</b>
Profit / (Loss) Brought Forward	3321.85	1951.51	1223.89	607.04	409.93	364.53
(Less): Utilised for Bonus Issue	1220.00					
(Less): Adjustment of CSR	28.39					
Add: Profit / (Loss) for the Year	1459.96	1,370.34	727.62	617.88	197.11	50.40
(Less): Tax Provisions / Unadjusted depreciations		-	-	(1.03)	-	(5.00)
<b>Profit / (Loss) Carried Forward (B)</b>	<b>3533.42</b>	<b>3321.85</b>	<b>1951.51</b>	<b>1223.89</b>	<b>607.04</b>	<b>409.93</b>
<b>Reserves &amp; Surplus (A+B)</b>	<b>3614.42</b>	<b>3,402.86</b>	<b>2,032.52</b>	<b>1,304.90</b>	<b>688.05</b>	<b>490.93</b>

## Annexure- 06

### STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lacs, except per share data)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Net Worth ( A )	4835.21	3,403.33	2,035.77	1,313.14	698.05	500.93
Net Profit after Tax ( B )	1459.96	1,370.34	727.62	617.88	197.11	50.40
No. of Shares outstanding at the	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
end [F.V Rs.10] ( C )						
Weighted average number of shares [F.V Rs.10]( D )	1,23,00,000	1,23,00,000	1,23,00,000	1,23,00,000	69,80,500	50,09,300
Earnings per Share (EPS) (B / D) (Rs.)	11.87	11.14	5.92	5.02	2.82	1.01
Return on Net Worth (B / A)	30.00%	40.26%	35.74%	47.05%	28.24%	10.06%
Net Assets Value per Share (A / D)	39.31	27.67	16.55	10.68	10.00	10.00

Definitions of key ratios:

**I. Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue, the bonus shares has been added to corresponding year to the extent of reserves available in the corresponding year. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

**II. Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year.

**III. Net Asset Value (Rs.):** Net Worth at the end of the year / Weighted Average Number of equity shares.

**IV. Net Profit,** as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

#### Annexure -07

#### CAPITALIZATION STATEMENT

(Rs. In Lacs)

Particulars	Pre-issue as at 31.12.2017	Post Issue *
Borrowing		
Short - Term Debt	867.81	
Long - Term Debt	42.30	
Total Debt	910.11	
Shareholders' Funds		
Share Capital		
- Equity	1230.00	
- Preference	-	
Reserves & Surplus	3614.43	
Less: Preliminary Expenses / Pre Operative Expenses	-	
Less: Deferred Tax Assets	0.31	
Total Shareholders Funds	4844.12	
Long - Term Debt / Shareholders Fund	0.01	
Short - Term Debt / Shareholders Fund	0.18	

\* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.

#### Annexure- 08

#### STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

Particulars	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Profit before tax as per Restated P/L	2,155.58	1,113.63	946.07	300.95	75.44
Applicable Corporate Tax Rate	34.61%	34.61%	32.44%	32.44%	30.90%
Tax at Notional Rate	746.05	385.43	306.91	97.63	23.31
<b>Adjustments</b>					
Difference between Tax Depreciation and Book Depreciation	-	(16.16)	(16.39)	4.66	2.88
Exempted Income	-	-	-	-	-
Disallowance	-	-	-	-	-
Items Chargeable at special rates	-	-	-	-	-
Other Items	-	-	-	-	-
<b>Net Adjustments</b>	-	(16.16)	(16.39)	4.66	2.88
Tax Saving thereon	-	(4.99)	(5.06)	1.44	0.89
Tax Saving to the the extent of Tax at Notional Rate	-	(4.99)	(5.06)	1.44	0.89
Tax Payable [A]	746.05	390.42	311.97	96.19	22.42
Tax Payable on items chargeable at special rates [B]	-	-	-	-	-
Total Tax Payable [C=A+B]	746.05	390.42	311.97	96.19	22.42
Tax Rebates / Credits [D]	-	-	-	-	-
<b>Tax Payable [E=C-D]</b>	<b>746.05</b>	<b>390.42</b>	<b>311.97</b>	<b>96.19</b>	<b>22.42</b>
<b>Tax Payable u/s 115 JB of Income Tax Act [F]</b>	<b>460.00</b>	<b>237.65</b>	<b>189.31</b>	<b>60.22</b>	<b>14.38</b>
<b>Final Tax Payable (Higher of [E] &amp; [F])</b>	<b>746.05</b>	<b>390.42</b>	<b>311.97</b>	<b>96.19</b>	<b>22.42</b>

#### Annexure - 09

#### STATEMENT OF DETAILS OF LONG TERM BORROWINGS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Secured:-</b>						
Auto Loan from HDFC Bank against hypothecation of Motor Car)	-	-	-	-	0.84	5.53
Auto Loan/Vehicle from Bank/Financial Institution	42.30	13.49	23.18	-	-	-
Loan against property from Kotak Mahindra Bank against hypothecation of property				43.90	47.04	54.84
Loan against property from Standard Chartered Bank against hypothecation of property	-	-	-	-	-	-
Loan against property from HDFC Bank	-	-	-	-	51.64	55.50

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
against hypothecation of property						
<b>Unsecured*:-</b>	-	-	-	-	-	-
Loan from Directors	-	-	-	-	-	-
Loan from Shareholders	-	-	-	-	-	-
Loan from Financial Institution	-	-	-	-	25.68	53.30
<b>Total</b>	<b>42.30</b>	<b>13.49</b>	<b>23.18</b>	<b>43.90</b>	<b>125.20</b>	<b>169.17</b>

\* Unsecured repayable on call

#### Annexure - 10

#### STATEMENT OF DETAILS OF SHORT TERM BORROWINGS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Secured:-</b>						
Cash Credit Limit from Deutsche Bank*	-	-	-	43.98	-	92.44
Buyers Credit Limit from Deutsche Bank*	-	-	-	-	602.58	507.56
Buyers Credit Limit from Yes Bank**	833.04	304.40	1044.75	1093.02	201.24	-
Buyers Credit Limit from ICICI Bank	-	-	-	-	271.03	-
Bank Overdraft from Yes Bank**	34.77	67.58	-	-	-	-
<b>Unsecured:-</b>						
Loan from Shareholders and related entities	-	-	-	-	22.62	21.81
<b>Total</b>	<b>867.81</b>	<b>371.98</b>	<b>1,044.75</b>	<b>1,137.00</b>	<b>1,097.47</b>	<b>621.81</b>

\* Secured against Immovable properties and personal guarantee of Promoters

\*\*Secured against Bank FDRs

#### Annexure - 11

#### STATEMENT OF DETAILS OF CURRENT LIABILITIES AND PROVISIONS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Current Liabilities</b>						
<b>Trade Payables</b>						
Sundry Creditors for Goods and Materials	1324.45	928.20	559.19	294.92	756.26	742.57
Others	29.10	8.32	31.25	1.80	-	5.98
<b>Sub Total (A)</b>	<b>1353.55</b>	<b>936.52</b>	<b>590.44</b>	<b>296.72</b>	<b>756.26</b>	<b>748.55</b>
<b>Other Current Liabilities</b>						
Salaries Payable	43.92	24.43	16.98	2.33	1.21	9.30
Duties and Taxes Payable	15.48	44.05	36.01	17.52	27.28	27.44
Expenses Payable	380.61	525.57	347.88	167.96	61.68	60.33
Advances from Customers	9.28	11.25	7.45	20.85	30.11	10.11
Security Deposits Taken	3.37	3.09	7.36	7.09	7.09	-
<b>Sub Total (B)</b>	<b>452.66</b>	<b>608.39</b>	<b>415.68</b>	<b>215.75</b>	<b>127.37</b>	<b>107.18</b>
<b>Provisions</b>						
Provision for Taxes	758.00	788.01	391.00	334.05	102.39	24.15
<b>Sub Total (C)</b>	<b>758.00</b>	<b>788.01</b>	<b>391.00</b>	<b>333.25</b>	<b>102.39</b>	<b>24.15</b>
<b>Total (A+B+C)</b>	<b>2564.22</b>	<b>2332.92</b>	<b>1397.12</b>	<b>846.52</b>	<b>986.02</b>	<b>879.88</b>

Annexure - 12

STATEMENT OF DETAILS OF TANGIBLE ASSETS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Furniture & Fixture	42.09	5.61	7.95	8.98	12.89	15.73
Computer	2.61	1.00	1.45	1.66	5.57	3.84
Motor Vehicle	71.32	33.71	49.68	24.01	33.18	32.91
Office Equipment	5.52	0.32	0.56	31.91	11.31	-
Plant & Machinery	69.46	31.79	30.80	-	-	12.08
<b>Buildings:</b>						
Factory Bawana	22.36	24.09	26.66	29.51	32.66	34.38
Building -NSP	88.22	95.02	105.83	117.87	131.28	138.19
Factory Badli	161.15	-	-	-	-	-
Factory C-47 (Vijay Vihar)	43.29	-	-	-	-	-
<b>Land:</b>						
Factory Bawana	422.13	422.13	-	-	-	-
Building -NSP	48.00	48.00	-	-	-	-
<b>Total</b>	<b>976.17</b>	<b>661.67</b>	<b>222.93</b>	<b>213.94</b>	<b>226.89</b>	<b>237.13</b>

Annexure - 13

STATEMENT OF DETAILS OF CAPITAL WORK IN PROGRESS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Factory Badli	-	93.03	-	-	-	-
Factory C-47 (Vijay Vihar)	-	17.26	-	-	-	-
<b>Total</b>	<b>-</b>	<b>110.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Annexure - 14

STATEMENT OF DETAILS OF NONCURRENT INVESTMENTS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Advance paid for Flat (DLF)	157.36	157.36	157.36	157.00	142.35	117.73
Advance paid for Factory (Badli)	-	-	50.50	-	-	-
Advance paid for Office (Wave City Center Private Limited)	56.83	56.83	56.83	56.83	37.76	18.72
Advance paid for Land	102.02					
Shares of Essel Resort Private Limited-Rohini	-	-	-	-	4.75	4.75
Bahari Steel Private Limited	-	-	-	-	35.97	35.97
<b>Total</b>	<b>316.21</b>	<b>214.19</b>	<b>264.70</b>	<b>213.83</b>	<b>220.83</b>	<b>177.17</b>

Annexure - 15

STATEMENT OF DETAILS OF INVENTORIES

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Stock in traded Goods	1749.67	1014.67	605.21	353.84	507.69	550.72
Stock in Transit	-	-	(1.33)	-	-	-

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Total</b>	<b>1749.67</b>	<b>1,014.67</b>	<b>603.89</b>	<b>353.84</b>	<b>507.69</b>	<b>550.72</b>

**Annexure - 16**

**STATEMENT OF DETAILS OF TRADE RECEIVABLES**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>(A) Unsecured, Considered good outstanding for a period less than six months</b>						
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-	-
Others		2163.81	1431.90	927.59	988.47	825.85
<b>(B) Unsecured, Considered good outstanding for a period more than six months</b>						
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-	-
Others	3249.31	235.74	166.04	187.08	171.58	96.67
<b>Total</b>	<b>3249.31</b>	<b>2,399.55</b>	<b>1,597.94</b>	<b>1,114.67</b>	<b>1,160.05</b>	<b>922.52</b>

**Annexure - 17**

**STATEMENT OF DETAILS OF CASH AND BANK BALANCES**

(Rs. In Lacs)

Particulars	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Balances in current accounts with banks	47.94	38.97	226.44	316.34	373.98	123.09
Cash balances	2.89	7.69	7.58	7.07	5.73	10.45
Fixed deposits with bank	1243.74	1286.83	1259.26	949.17	326.72	1.52
<b>Total</b>	<b>1294.57</b>	<b>1,333.49</b>	<b>1,493.28</b>	<b>1,272.58</b>	<b>706.43</b>	<b>135.06</b>

**Annexure - 18**

**STATEMENT OF DETAILS OF SHORT TERM LOANS AND ADVANCES**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Advances to Suppliers etc.	13.00	6.72	-	0.18	0.42	36.51
Advances to Staff	7.39	1.73	2.18	0.28	1.22	1.86
Other Advances recoverable in cash or kind	-	-	1.40	-	-	46.39
<b>Total</b>	<b>20.39</b>	<b>8.45</b>	<b>3.58</b>	<b>0.46</b>	<b>1.64</b>	<b>84.76</b>

**Annexure - 19**

**STATEMENT OF DETAILS OF OTHER CURRENT ASSETS**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
TDS & Advance Tax	480.62	310.74	260.07	138.16	53.10	10.47
Balances with revenue authorities (Indirect Taxes)	171.66	6.04	1.03	-	18.50	49.65
Security Deposits	10.34	9.19	7.17	5.85	5.65	6.17
Interest accrued non FDR	21.65	53.44	46.23	26.43	9.27	-
<b>Capital Increment Expense</b>	<b>18.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Total	703.21	379.41	314.50	170.44	86.52	66.29

**Annexure - 20**

**STATEMENT OF DETAILS OF REVENUE OF OPERATIONS**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Sale of Traded Goods	6395.28	8251.01	7054.57	6525.45	5552.35	3431.92
Total	6395.28	8,251.01	7,054.57	6,525.45	5,552.35	3,431.92

**Annexure - 21**

**STATEMENT OF DETAILS OF OTHER INCOME**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Interest Income	52.15	108.34	102.23	82.63	23.52	4.79
Insurance Claims	-	-	0.66	145.36	2.73	-
Commission income	-	-	1.91	-	-	-
Misc. Income	22.02	9.88	10.10	0.08	0.32	0.19
Short and Excess	0.02	-	0.18	(0.08)	0.15	-
Foreign currency fluctuation gain / (loss)	0.82	64.94	96.44	223.41	(171.07)	(34.61)
Total	75.01	183.16	211.52	451.40	(144.35)	(29.63)

**Annexure - 22**

**STATEMENT OF DETAILS OF COST OF PURCHASES**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Purchase of Traded Goods	3703.40	5302.33	5178.08	4844.10	4310.06	2411.14
Total	3703.40	5,302.33	5,178.08	4,844.10	4,310.06	2,411.14

**Annexure - 23**

**STATEMENT OF DETAILS OF CHANGES IN INVENTORIES**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Traded Goods:</b>						
Opening Stock	1014.67	605.22	353.84	507.69	550.72	279.09
Less Closing Stock	1749.67	1014.67	605.22	353.84	507.69	550.72
(Increase) / Decrease in Stock	(735.00)	(409.45)	(251.37)	153.85	43.03	(271.64)

**Annexure - 24**

**STATEMENT OF DETAILS OF EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Salary And Wages	286.71	265.35	182.86	136.19	135.45	95.60
Staff Welfare Expenses	7.04	6.91	4.74	2.66	3.06	1.61
Director Remunerations	67.50	66.00	45.00	37.44	32.88	27.00
Bonus	16.35	12.15	10.51	6.94	6.37	9.97

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
ESI	3.34	2.63	2.36	1.69	1.66	1.16
Provident Fund	23.91	22.61	16.28	12.80	11.52	10.11
Gratuity	14.94	-	-	-	-	-
<b>Total</b>	<b>419.79</b>	<b>375.66</b>	<b>261.75</b>	<b>197.71</b>	<b>190.93</b>	<b>145.45</b>

**Annexure - 25**

**STATEMENT OF DETAILS OF ADMINISTRATIVE, SELLING AND OTHER EXPENSES**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Audit Fees	2.00	1.04	0.92	0.86	0.69	0.56
Bank Charges	4.65	2.00	2.94	3.69	2.35	0.95
Bad Debts	-	14.35	36.12	63.99	37.10	-
Sales Promotion Expenses	300.80	382.73	408.37	327.40	63.88	30.93
Commission	65.98	119.00	110.73	75.63	38.65	45.99
Compensation	103.02	54.36	13.68	30.64	48.12	-
Telephone Exp.	5.43	8.71	8.11	8.08	7.80	5.88
Consumable Stores	10.02	5.87	4.74	0.71	1.48	2.49
Electricity Expenses	15.10	11.03	8.76	6.89	5.66	5.05
Exhibition Exp.	45.67	46.09	34.78	37.56	45.04	5.11
Freight & Octroi	59.72	72.58	61.64	67.11	68.50	62.00
Insurance	5.68	7.86	7.22	10.90	6.46	4.25
Legal & Professional Charges	23.03	22.24	9.63	6.17	3.82	3.50
Miscellaneous Expenses	4.30	1.39	0.62	0.63	0.82	2.00
Office Expenses	31.41	13.74	20.15	8.79	2.04	5.04
Packing & Forwarding Expenses	33.12	48.60	48.70	0.78	32.60	4.62
Postage & Courier	2.82	3.85	3.54	1.51	1.05	1.05
Printing & Stationary	4.03	3.81	4.31	3.74	2.30	4.26
Rent	11.69	11.97	8.46	9.68	17.37	5.93
Repair & Maintenance	24.26	32.54	33.41	30.27	9.13	3.29
Travelling & Conveyance Expenses	41.97	47.45	44.36	34.75	58.87	44.22
Duties & Tax Paid	12.40	48.35	30.90	4.84	9.14	0.05
Loss on Shares	-	-	-	4.75	-	-
Advertisement Expenses	-	-	-	0.36	6.32	5.60
Clearing & Forwarding Expenses	-	-	-	29.73	29.87	38.79
Discount	-	-	-	0.18	1.64	59.47
Custom Duty on Purchase	-	-	-	-	-	577.73
Security Charges	0.32	-	-	-	-	-
Festival Expenses	-	-	-	-	-	1.64
<b>Total</b>	<b>807.43</b>	<b>959.54</b>	<b>902.09</b>	<b>769.63</b>	<b>500.69</b>	<b>920.43</b>

**Annexure - 26**

**STATEMENT OF DETAILS OF FINANCIAL EXPENSES**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Interest Expenses:-</b>						

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Interest on Secured Loan	7.68	9.42	10.44	18.21	26.42	16.50
Interest on Unsecured Loan	-	-	-	1.40	10.32	71.22
<b>Other Borrowing Cost</b>						
Processing Fees	0.63	1.38	-	-	-	9.95
<b>Total</b>	<b>8.31</b>	<b>10.80</b>	<b>10.44</b>	<b>19.61</b>	<b>36.74</b>	<b>97.67</b>

Annexure-27

STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

(Rs. In Lacs)

Particulars	Relationship	Name	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b><u>REVENUE ITEMS :</u></b>								
Salaries & Remuneration	Director	Sanjay Agarwal	45.00	51.00	36.00	30.00	26.40	21.60
	Director	Apoorv Agarwal	22.50	15.00	9.00	7.44	6.48	5.40
Purchase of Goods	Director Wife	Apoorv International	-	-	-	-	-	3.54
	Director is Proprietor in firm	Creative Décor	-	-	-	-	-	106.23
Sale of Goods	Director is Proprietor in firm	D M Designs	-	-	35.07	35.03	-	-
	Director Wife	Apoorv International	-	-	-	9.24	11.62	30.13
	Common Director	IL Materasso Pvt Ltd	-	-	-	-	35.03	-
	Director is Proprietor in firm	Creative Décor		-	-	-	-	36.52
<b><u>NON REVENUE ITEMS :</u></b>								
Loan Given	Director is Proprietor in firm	D M Designs	3.87	81.88	-	-	-	-
Loan Repaid	Director Wife	Apoorv International	-	-	-	-	-	-
	Director Mother	Santosh Garg	-	-	-	1.49	-	-

Particulars	Relationship	Name	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
	Director Father	P D Garg	-	-	-	6.00	0.65	-
Interest on Unsecured Loan	Director mother	Santosh Garg	-	-	-	0.08	0.16	0.14
	Director Father	P D Garg	-	-	-	0.32	0.65	0.58
Loan Taken	Director	Gurjit Singh Bains	-	-	-	-	-	15.13
	Director Mother	Santosh Garg	-	-	-	-	-	1.33
	Director Father	P D Garg	-	-	-	-	-	5.35
Equity Contribution								
	Director	Sanjay Agarwal	587.96	4.81	4.81	4.81	4.81	4.81
	Director	Gurjit Singh Bains	257.75	2.10	2.10	2.10	2.10	2.10
	Dir is prop in Firm	BGB Italia SRL	343.70	2.79	2.79	2.79	2.79	2.79
	Director	Apoorv Agarwal	36.90	0.30	0.30	0.30	0.30	0.30
	Director's Relative	Anita Agarwal	0.12	-	-	-	-	-
	Director's Relative	Ayushi Agarwal	0.12	-	-	-	-	-
	Director's Relative	Srishti Agarwal	0.12	-	-	-	-	-

## FINANCIAL INDEBTEDNESS

As on December 31, 2017, our Company has availed secured borrowings of Rs. 910.11 lacs. Set forth below is a brief summary of our aggregate outstanding borrowings (both fund based and non-fund based) on a consolidated basis as on December 31, 2017.

Name of Lender	Purpose	Sanctioned Amount	Security	Repayment Schedule	Outstanding Amount as on 31 <sup>st</sup> December, 2017 (Amt in Lacs)
Kotak Mahindra Prime Limited (Kotak); Toyoto Financial Services (Toyoto); ICICI Bank	Vehicle Loan	Rs. 30.00 Lacs (Kotak) Rs. 20.00 Lacs (Toyoto) Rs. 19.00 Lacs (ICICI)	Vehicle	Monthly	Rs. 42.30 Lacs
Buyers Credit Limit from Yes Bank	Credit Limit for Imports	Rs. 1200.00 lacs at Commission of 0.50% of Payable upfront. and 10% in the form of Fixed Deposit	<ul style="list-style-type: none"> <li>- Exclusive charge by way of hypothecation of current assets both present and future.</li> <li>- Exclusive charge by way of equitable mortgage of residential property bearing address, Plot No. 11, SF, Block QD, Pitampura, New Delhi;</li> <li>- Exclusive Charge by way of equitable mortgage of commercial property bearing Unit No. 601, 6<sup>th</sup> Floor, NDM-1, Plot NO. B-2,3,4 wazirpur District Centre Netaji Subhash Place, Pitampura, New Delhi</li> <li>- Gurantee of Mr. Sanjay Agarwal, Mr Apoorv Agarwal and Mr. Gurjit Singh Bains and Mrs. Anita Agarwal.</li> </ul>	180 days	Rs. 833.04 lacs
Bank Overdraft from Yes Bank	Bank Overdraft	Rs. 1500.00 Lacs, 1% over and above applicable fixed deposit	Fixed Deposit in name of Company or third party to an extent of 110% of the facility amount to be kept under Yes bank Lien	On Demand/Annual Review	Rs. 34.77 Lacs

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

The following discussion of our financial condition and results of operations should be read in conjunction with our audited restated financial statements for the financial period ended December 31, 2017 and for the financial years ended March 2017, 2016, 2015, 2014 and 2013 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Information*" on page 183 of this Red Herring Prospectus. The following discussion relates to our Company on a standalone basis, and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" on pages 13 and 12, of this Red Herring Prospectus beginning respectively.

### GLOBAL PROSPECTS AND POLICIES

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Over the medium term, global growth is projected to decline to about 3.7 percent. Once the cyclical upswing and US fiscal stimulus have run their course, prospects for advanced economies remain subdued, given their slow potential growth. In emerging market and developing economies, in contrast, growth will remain close to its 2018-19 level as the gradual recovery in commodity exporters and a projected increase in India's growth provide some offset to China's gradual slowdown and emerging Europe's return to its lower-trend growth rate. Nevertheless, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps vis-à-vis the group of more prosperous countries.

Despite strong aggregate figures in the baseline forecast and buoyant market sentiment, the current momentum is not assured. Upside and downside risks are broadly balanced over the next several quarters, but risks farther down the road are skewed to the downside. With still-easy financial conditions and persistently low inflation that has required protracted monetary policy accommodation, a potential further buildup of financial vulnerabilities could give way to rapid tightening of global financial conditions, denting confidence and growth. The support to growth that comes from procyclical policies, including in the United States, will eventually need to be reversed. Other risks include a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife.



The current favorable juncture offers a window to enact policies and reforms that protect the upswing and raise medium-term growth to the benefit of all—strengthening the potential for higher and more inclusive growth, building buffers that will help deal more effectively with the next downturn, improving financial resilience to contain financial market risks, and fostering international cooperation.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018#Chapter%201>)

## RECENT DEVELOPMENTS AND PROSPECTS

### An Investment-Led Pickup in Growth

At 3.8 percent, global growth last year was ½ percentage point faster than in 2016 and the strongest since 2011. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year (the highest share of countries experiencing a year-over-year growth pickup since 2010). The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO), with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies.

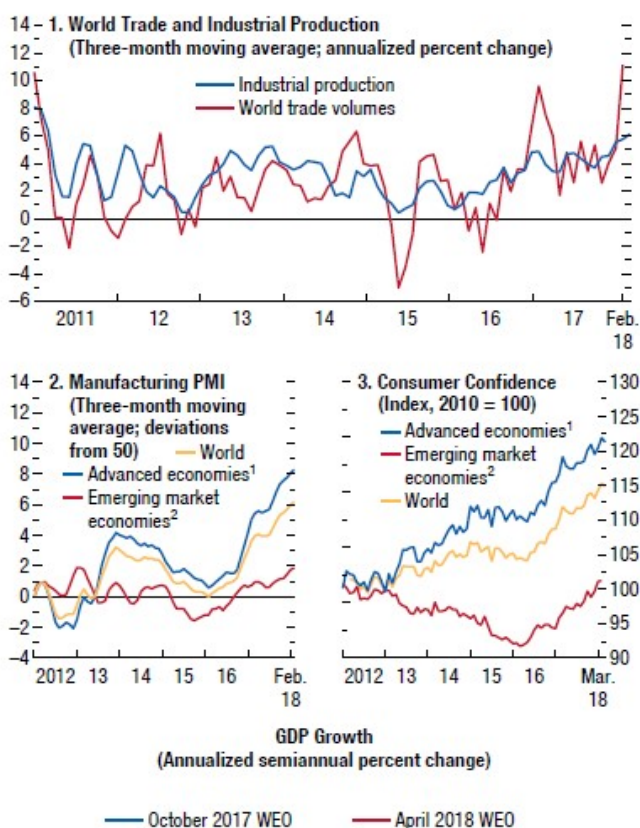
Resurgent investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging market and developing economies were important drivers of the uptick in global GDP growth and manufacturing activity (Figures 1.1-1.3).

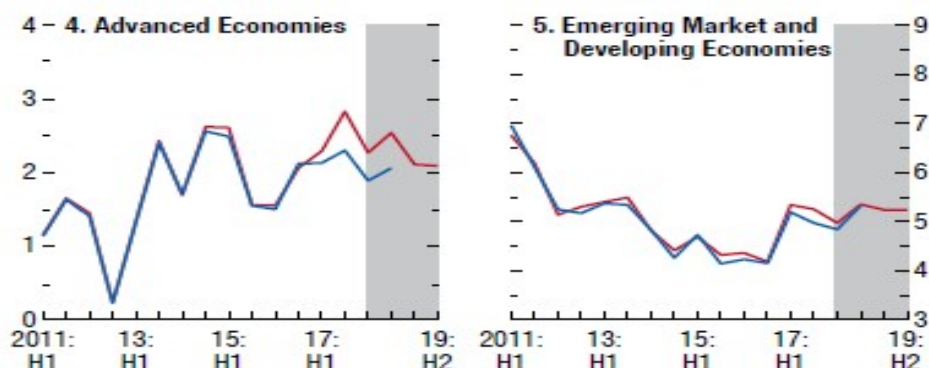
- Across advanced economies, the 0.6 percentage point pickup in 2017 growth relative to 2016 is explained almost entirely by investment spending, which remained weak since the 2008-09 global financial crisis and was particularly subdued in 2016 (Figure 1.2, left column). Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

- Across emerging market and developing economies, the 0.4 percentage point pickup in 2017 growth came primarily from an acceleration in private consumption (Figure 1.2, right column). But the picture is mixed within the group. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed. An end to fixed investment contractions in commodity-exporting countries that were severely affected by the commodity price downturn during 2015-16 (notably Brazil and Russia, but also Angola, Ecuador, and Nigeria) instead played an important role in their growth pickup in 2017. Higher fixed investment growth (2.3 percentage points above its 2016 level) also supported the growth performance of other emerging market and developing economies, alongside stronger private consumption.

Figure 1.1. Global Activity Indicators

Global growth surprised on the upside in the second half of 2017 amid strengthening industrial production and trade.





Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff estimates.

Note: CC = consumer confidence; PMI = purchasing managers' index;

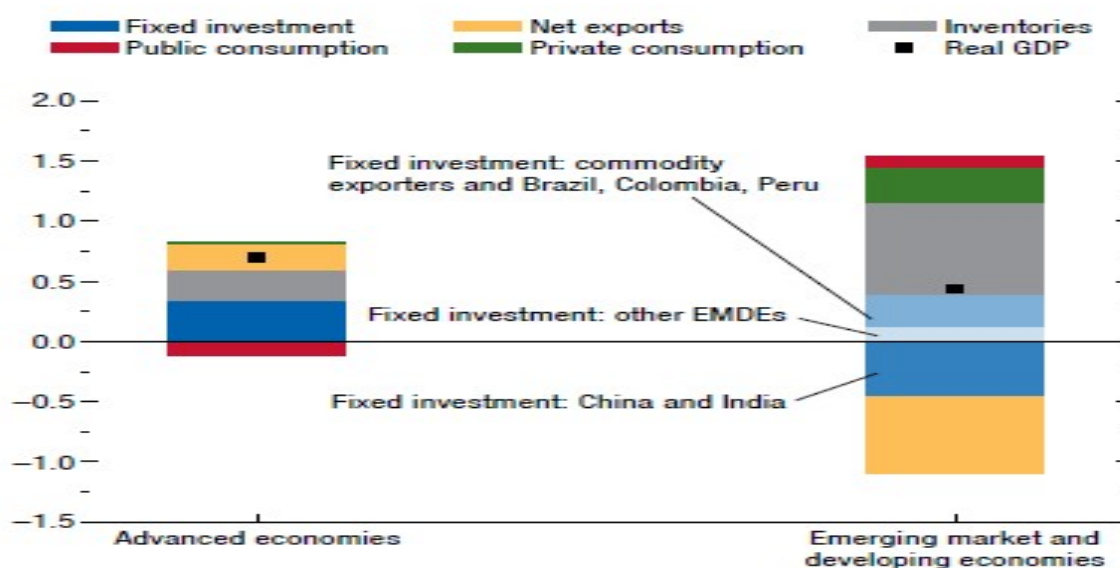
WEO = *World Economic Outlook*.

<sup>1</sup>Australia, Canada (PMI only), Czech Republic, Denmark, euro area, Hong Kong SAR (CC only), Israel, Japan, Korea, New Zealand (PMI only), Norway (CC only), Singapore (PMI only), Sweden (CC only), Switzerland, Taiwan Province of China, United Kingdom, United States.

<sup>2</sup>Argentina (CC only), Brazil, China, Colombia (CC only), Hungary, India (PMI only), Indonesia, Latvia (CC only), Malaysia (PMI only), Mexico (PMI only), Philippines (CC only), Poland, Russia, South Africa, Thailand (CC only), Turkey, Ukraine (CC only).

**Figure 1.2. Contributions to the Change in Real GDP Growth, 2016–17**  
(Percentage points)

Stronger investment spending in advanced economies and an end to fixed investment contractions in commodity exporters were important contributors to the pickup in global growth.



Source: IMF staff calculations.

Note: EMDEs = emerging market and developing economies.

## A Cyclical Rebound in Global Trade

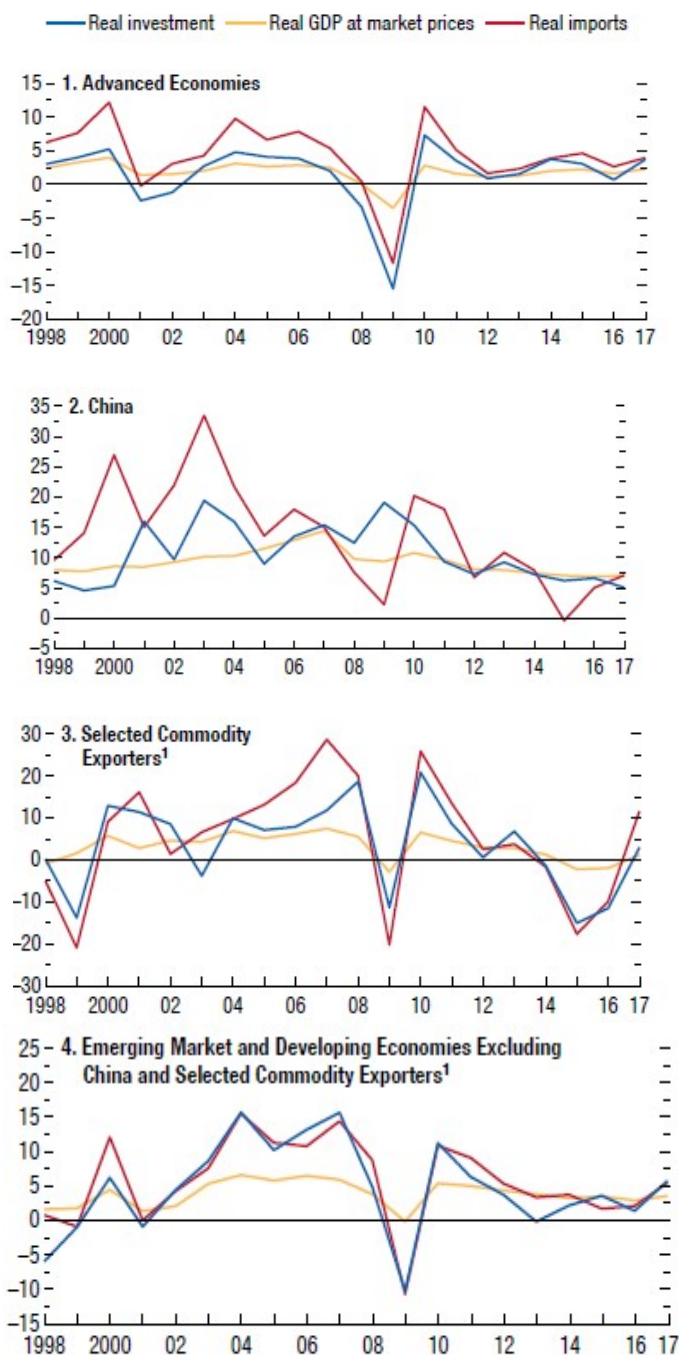
Global trade—which tends to be highly correlated with global investment (see Figure 1.3 and Chapter 2 of the October 2016 WEO)—recovered strongly in 2017 after two years of weakness, to an estimated real growth rate of 4.9 percent. The upsurge was more pronounced in emerging market and developing economies (with trade growth rising from 2.2 percent in 2016 to 6.4 percent in 2017), reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand more generally.

Among advanced economies, large exporters, such as Germany, Japan, the United Kingdom, and the United States, contributed strongly to the recovery in exports (Figure 1.4, panel 1), while the recovery in imports was broad based, except in the United Kingdom (Figure 1.4, panel 2).

Among emerging market and developing economies, as shown in Figure 1.4, panel 3, the rebound in export growth was particularly strong in emerging Asia, especially China.<sup>1</sup> In contrast, the rebound in imports largely reflects an import recovery among commodity exporters—countries that had earlier experienced sharp investment and import contractions during the 2015-16 commodity price downturn. This is shown in Figure 1.4, panel 4: the blue bars represent commodity exporters that had a particularly pronounced cycle in imports (Angola, Brazil, Ecuador, Nigeria, Russia); the green bars represent remaining commodity exporters, which account for an important part of the import demand cycle among other emerging market and developing economies.

**Figure 1.3. Global Investment and Trade**  
(Percent change)

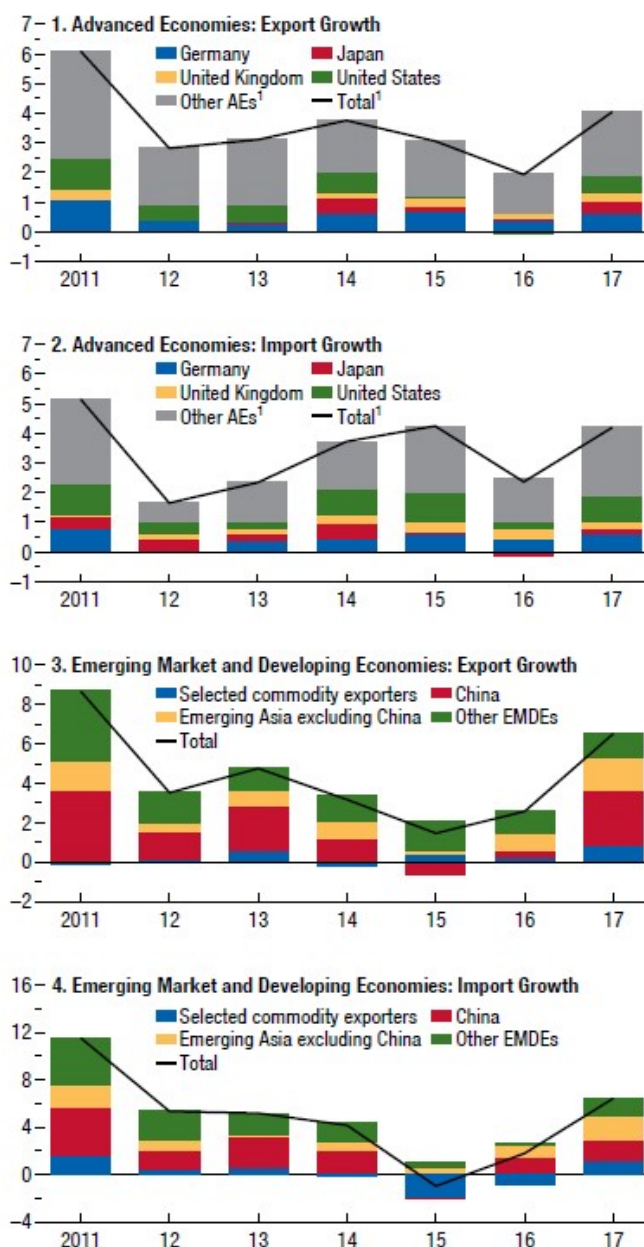
Global trade recovered strongly in 2017 after two years of weakness as investment spending picked up.





**Figure 1.4. Contributions to Trade Growth**  
(Percent)

The trade recovery was particularly pronounced in emerging market and developing economies.



Source: IMF staff calculations.

Note: Trade growth reflects export and import volumes from external sector data. AEs = advanced economies; EMDEs = emerging market and developing economies; selected commodity exporters = Angola, Brazil, Ecuador, Nigeria, Russia.

<sup>1</sup>Excludes Ireland.

## Rising Commodity Prices

The IMF's Primary Commodities Price Index rose 16.9 percent between August 2017 and February 2018—that is, between the reference periods for the October 2017 WEO and the current report (Figure 1.5). As described in the Commodities Special Feature, the increase was driven primarily by rising oil and natural gas prices. Among the other subindices, metals and agricultural commodity prices also rose, although less rapidly than energy prices.

- Oil prices increased to more than \$65 a barrel in January, the highest level since 2015, following unplanned outages on the US Gulf Coast and in Libya, the North Sea, and Venezuela; an extension to the end of 2018 of the Organization of the Petroleum Exporting Countries agreement on production targets; and stronger global economic growth. Prices moderated to \$63 a barrel in February, 27 percent above their August level.

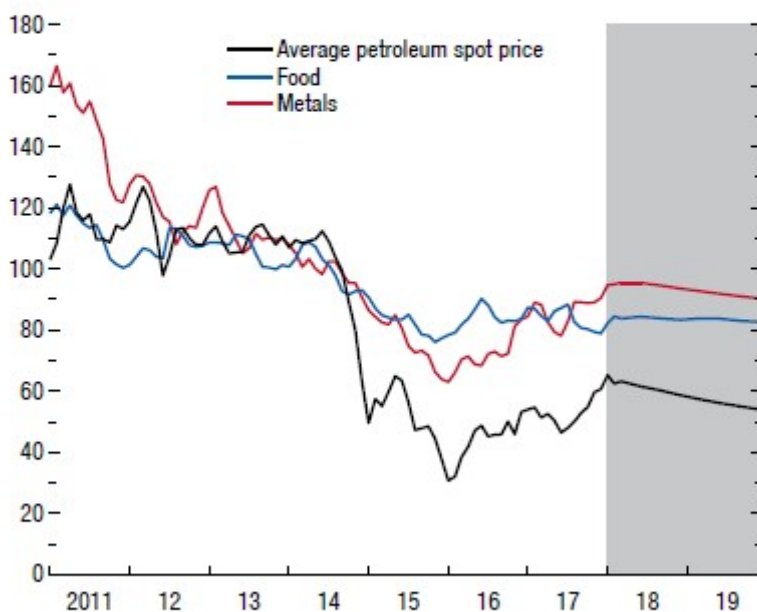
- The natural gas price index—an average for Europe, Japan, and the United States—rose sharply, by 45 percent from August 2017 to February 2018, reflecting seasonal factors. Strong demand for liquefied natural gas (LNG) in China, where the government has restricted the use of coal to mitigate air pollution, helped drive the spot LNG price to its highest level in three years. Higher oil prices also added upward pressure in countries where oil-linked pricing is more common.

- Metal prices increased 8.3 percent from August to February, in line with stronger growth in all major economies. Demand for base metals—especially aluminum—was strong, while supply was limited in part due to China's production capacity cuts. Iron ore prices rose 4.1 percent from August to February, rallying recently thanks to strong steel prices and

- The IMF's agricultural price index rose 4.1 percent from August 2017 to February 2018, as unfavorable weather conditions in recent months are expected to reduce this year's harvests of many grains and oilseeds. The subindices of food and agricultural raw materials rose 4.1 percent and 6.0 percent, respectively.

**Figure 1.5. Commodity and Oil Prices**  
(Deflated using US consumer price index; index, 2014 = 100)

Commodity prices, notably of oil and natural gas, have risen since the fall, but the medium-term outlook remains subdued.



Sources: IMF, Primary Commodity Price System; and IMF staff estimates.

## Indian Economy Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

### Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

## Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.
- India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four month low of 4.4 per cent in February 2018.
- Employment on net basis in eight key sectors in India including manufacturing, IT and transport increased by 136,000 in July-September quarter of 2017-18.
- The average salary hike of Indian employees is estimated to be 9.4 per cent and that of key talents is estimated to be nearly 15.4 per cent in 2018, backed by increased focus on performance by companies, according to Aon Hewitt.
- Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.
- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

## Government Initiatives

The Union Budget for 2018-19 was announced by Mr Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of Rs 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US\$ 93.85 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors.

India's unemployment rate is expected to be 3.5 per cent in 2018, according to the International Labour Organisation (ILO).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

## Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

*(Source: <https://www.ibef.org/economy/indian-economy-overview>)*

## Indian Paint Industry-An overview

The Paints & Allied Industry which has been exempted from compulsory licensing, mainly consists of paints, enamels, varnishes, pigments, printing inks, etc. These play a vital role in the economy by way of protecting national assets from corrosion. These items are manufactured both in the organized sector and small scale sector. The production of Paints of all kinds and Printing Ink during 2015-16 was 7,98,715.22 tonnes and 2,29,693.88 tonnes respectively. During the April, 2016 to October, 2016, the production of these products has been 500,720.34 tonnes and 1,41,532.50 tonnes respectively.

*(Source: Department of Industrial Policy and Promotion, [www.dipp.nic.in](http://www.dipp.nic.in) -Annual Report 2016-17)*

The Indian paint industry has been growing constantly over the last decade. Growth has been consistent with the GDP growth rate and in some years even higher. Over the past few years, the Indian paint market has substantially grown and caught the attention of many international players. The country continues to enjoy a



healthy growth rate compared to other economies, backed by the increasing level of disposable income, and demand from infrastructure, industrial and automotive sectors. Indian paints industry by value and volume, is expected to grow at a CAGR (Compounded Annual Growth Rate) of around 12% during 2016-17 to 2021-22 in value terms.

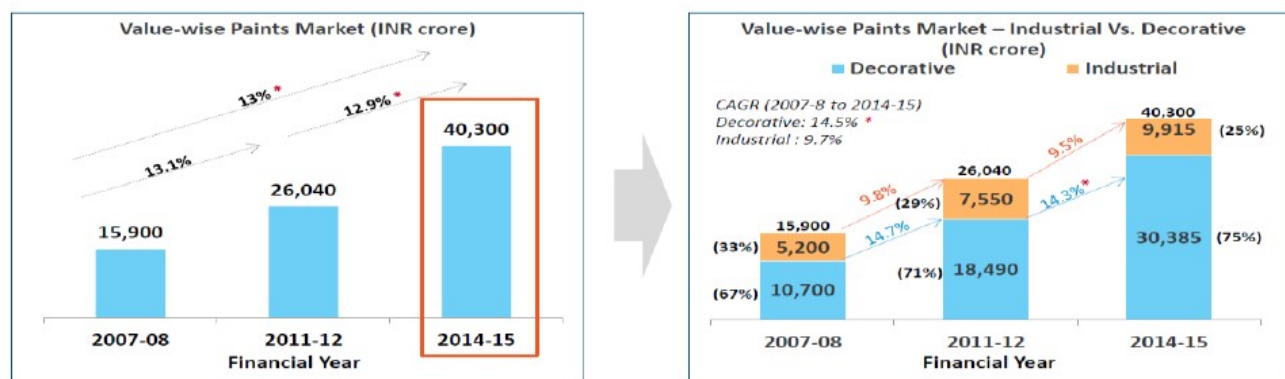
The Indian paint industry has been witnessing a gradual shift in the preferences of people from the traditional whitewash to higher quality paints like emulsions and enamel paints, which is providing the basic stability for growth of Indian paint industry. Besides, it is creating a strong competitive market, where players are utilizing different strategies to tap the growing demand in the market for a larger share.

Decorative Paints account for a major part of the industry. The main drivers for the growth of this sector have been shortening of the repainting cycle and increased demand from smaller towns. Another important driver for demand of Decorative paints is the new homes backed by easy availability of finance.

Paint Industry in India is driven by growth not only in construction activities but also in automotive industry. Media exposure and innovative marketing initiatives by the players have also added impetus to increasing awareness about latest trends prevalent in the sector. Due to increased Government funding for infrastructure, paint industry is poised for growth. A further analysis of key drivers and challenges of the market indicate the factors for growth of the market including boom in real estate construction, growth in industrial sector, growth in automobile industry, increase in disposable income, increased government expenditure on infrastructure.

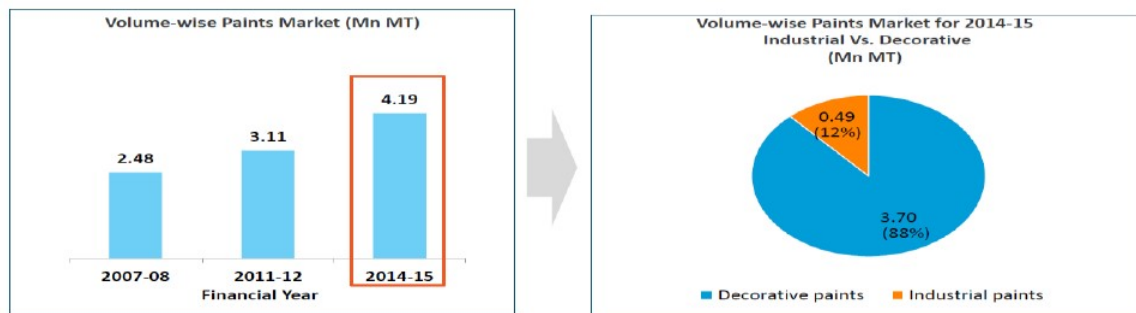
The paint sector in India is facing certain challenges. Factors like rising input prices and stringent environmental regulations pose a barrier for growth. The paint sector is raw material intensive, with over 300 raw-materials (50% petro-based derivatives) involved in the manufacturing process. Since most of the raw materials are petroleum based, the industry is sensitive to crude oil prices. Another concern is that the demand for paint, being a discretionary expenditure, is typically hurt during periods of inflation.

The Indian paint industry in terms of value increased to Rs. 40,300 crore in financial year 2014-15 as compared to Rs. 26,040 crore in financial year 2011-12, representing, Compounded Annual Growth Rate (CAGR) of 12.9% during period 2011-12 to 2014-15 (excluding wall cement putty figures). The share of decorative paint is 75% and share of industrial paint is 25% in financial Year 2014-15.



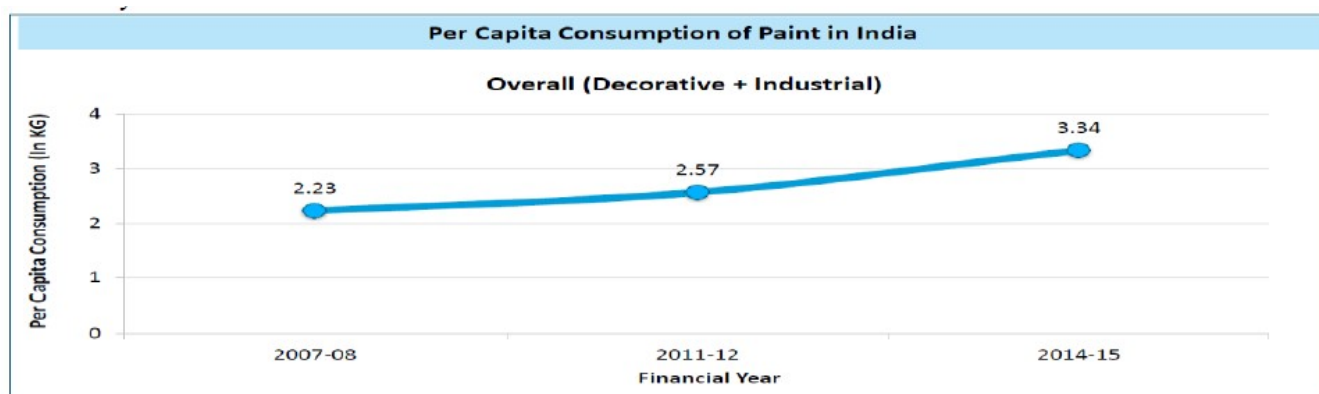
(Source: AC Nielsen Report on Market Study on Paint Industry in India” issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

In terms of volume, the size of Indian paint industry was 4.19 Million MT in financial year 2014-15 as compared to 3.11 Million MT in financial year 2011-12,.The share of decorative paint is 3.70 Million MT and share of industrial paint is 0.49 Million MT in the financial year 2014-15.Further, decorative to industrial ratio in terms of volume is 88: 12 for financial year 2014-15.



(Source: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

The per capita consumption of paint in India is 3.34 kg in financial year 2014-15 as compared to 2.57 kg in financial year 2011-12.



(Source: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

## Segments

Paint industry is classified into two broad categories viz., Decorative and Industrial. While decorative paints constitute 74% share of the market sales, industrial paints constitute 26% share, with others being negligible;

**Decorative Paint**, include higher end acrylic exterior and interior emulsions, medium range exterior and interior paints, low end distempers, wall putty, wood coatings, cement paints, primers, thinners and putties - accounting for over 74% of the paint market in India and growing at a faster pace than Industrial paints. These are either water based or solvent based. Water based paints (or emulsions) are increasingly preferred by customers because of better aesthetics, durability and environmental reasons. The list of products in the decorative paints segment includes Enamel, Exterior Emulsion, Interior Emulsion, Putty, Distemper, Primer and Thinner, Wood Coatings and Cement Paint

**Emulsion (Interior and Exterior)** contribute to the highest category share, in terms of value, in decorative paints, while in terms of volume, putty contributed to high category share of the decorative paints, though its category share in terms of value is much less

**Industrial Paints**, essentially comprise general industrial, automotive, protective and powder coatings. In addition to the above, Indian paint companies are also present other segments such as automotive coatings, coil coatings, can coatings, marine coatings, wood coating etc. Some companies also manufacture certain key raw material

chemicals in-house. The list of products in the Industrial paints segment includes Protective, Auto OEM, Auto Refinish, Powder Coating, GI Paints, Coil Coating, Can Coating, Marine and others.

**Protective paints** have the highest category share of industrial paints in terms of value, followed by the auto OEM segment, while the powder coating comprises the highest in terms of volume.

## Industry Structure

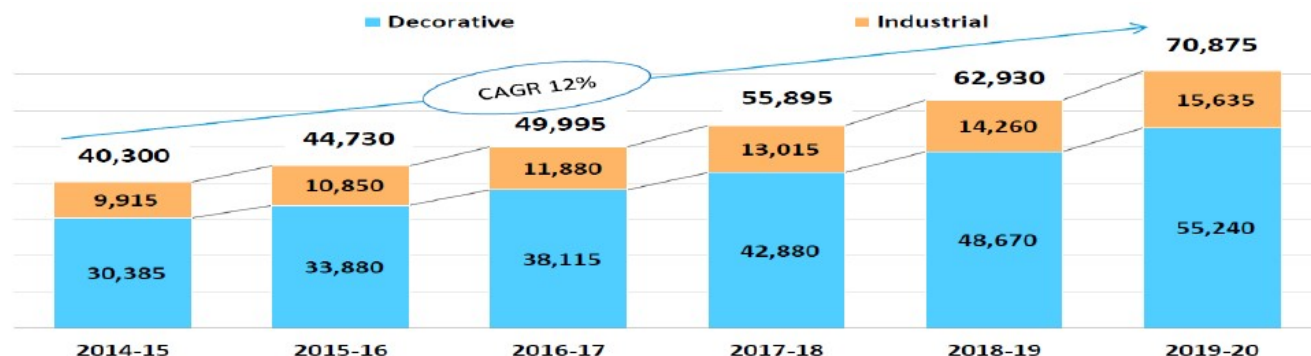
**Organized Sector**, top organized players include Asian Paints, Kansai Nerolac, Berger Paints, Akzo Nobel and Shalimar Paints. They control most of the market.

**Unorganized Sector**, in the unorganized segment there are about 2,000 units having small and medium sized paint manufacturing plants

Going forward with further clarity around timelines and effectiveness of GST rollout from the Government, it is likely expected that there shall be an accelerated shift from the unorganised to the organised market in the paint industry. The Companies shall be able to make their distribution networks more efficient thereby reducing the freight costs.

## Future Aspects

Indian paint industry is expected to grow from the current level of about Rs. 55,895 crore to about Rs.70,875 crore by the financial year 2019-20 with double-digit compounded annual growth rate (CAGR) of about 12% per financial year. The industrial paint market and decorative paint market is expected to witness a CAGR of 9.5% and 12.7% respectively.



(Source: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

The ASSOCHAM, in its recent report on "Indian paint Industry: 2014" reveals that India is the second-largest consumer of paint in Asia.

"The Indian paint industry has seen a gradual shift in the preferences of people from the traditional white wash to higher quality paints like emulsions and enamel paints", said Mr. D S Rawat, Secretary General ASSOCHAM.

As per the ASSOCHAM findings, the rural market has grown at a rate of around 20% a year (in financial year 2014). Increase in sales outside metros, as rural India's incremental consumption expenditure is witnessing a handsome growth.

The rural sector has a major share of the decorative paints segment. Thus, any benefit to the rural sector for improving the dispensable income is directly co-related to the growth of the paint industry. Besides,

decorative paints are marketing savvy products backed by large advertisement campaigns and dealership networks.

(Source: <http://assocham.org/newsdetail.php?id=4670>)

### Factors Influencing Consumers Behavior

**Distribution:** Sales of decorative paints requires extensive dealer networks, especially in the rural and semi-urban markets; hence a strong supply chain and pan-India distribution presence is essential for making product successful.

**Product portfolio:** It is essential for paints companies to have a judicious mix of targeted products for its core customer along with a complete product portfolio across product categories and price points for the entire customer universe.

**Brand:** Paints are becoming a high involvement purchase for the end use consumer; hence the brand plays a key role in determining his choice, both for new construction and repainting activities.

### Motivating Factors/ Growth Drivers of Indian Paint Industry

**Increasing Urbanization:** Urbanization has resulted in a shift from temporary house to permanent houses. People opting for permanent house in urban areas are looking for well-designed interior and exterior aspect. As a result this calls for more houses being painted using medium and premium paints. Interiors are becoming a matter of style statement for the people residing in urban areas and thus an increase in the per capita consumption of paint is witnessed. The overall demand of the paint is also driven by such behavioral attribute of people.

Increase in urbanisation to 32.7% in 2015

Year	Growth Rate
2001	27.8%
2011	31.2%
2015	32.7%

(Source: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)

**Increasing level of income:** There has been considerable rise in the proportion of young population. Also increasing trend in the disposable income has been witnessed which is leading to a change in consumer habits. The Indian economy is shifting from a savings economy to a spending economy. With more income at disposal people are opting for better products and paint is no exception.

**Availability of financing options:** Easy financing is available for housing and automobile. This is expected to favour more people to buy houses and travel in personal vehicles. This in turn drives the growth of housing and automobile sector for which paint industry get its share.

**Increasing share of organized sector:** There has been considerable decrease in taxes on raw materials. This has helped improve the status and position of the organized players. The organized sector is expanding and its distribution network is growing. The adoption of installing tinting machines at retail outlets has helped the sector grow at a much faster rate. These tinting machines offer a wide variety of color shade options to choose from. The unorganized players on the other hand are unable to provide such facility as they face capital crunch.

**Growth of Realty, Automobile and Infrastructure sector:** Paint industry is highly dependent on development of realty and housing sector. For the total paint demand, over 75% is generated from the decorative segment.

Automobile segment generates over 35% of demand of industrial paint. Infrastructure segment creates direct and indirect demand for paints through supporting the growth of the realty, automobile, FMCG and other industries where paint is used. The growth potential in the 3 sectors is immense and paint industry being dependent on these is expected to show strong growth.

**Increasing Penetration in the Rural Markets:** Distemper segment is the primary product used in rural areas. Thus it is dominated by the unorganized players. Demand is dependent on agriculture which again is dependent on the monsoons. Development of irrigation helped in reducing the dependence on monsoon. Thus, with the modernization of agriculture and accompanying development of rural India, consumer preferences are expected to improve.

## Key Challenges

Some of the prominent challenges for Indian paint industry are:

**Seasonal Demand:** Paint Industry is a seasonal industry. The demand shoots up during the Diwali season or other festive seasons and it will be low in the rainy season.

**Inventory Management at Dealer Level:** The product differentiation is minimal in paint industry. The very close substitutes are readily available. Hence the inventory management at the dealer level is of a prime importance. It is also important for brand visibility and occupying the shelf space.

**Shade Offerings:** As the shades offered by the paints companies are very high in number, the problem of distribution becomes very significant. The demand for a particular shade may peak up suddenly in a particular region. The inventory management at the distributor and dealer level is of great importance.

**Distribution Costs:** Distribution costs are important for a lower price product like Distemper. The Distemper is a stiff paint and is sold on weight basis. It is called as the “Bread and Butter” of the paint industry as the consumption is highest for this product. Hence, the cost associated with distribution of it is of prime importance.

**Low Per Capita Consumption:** The per capita paint consumption in India is one of the lowest. This shows the lower penetration of the paint industry in the country. The paint companies have to educate the customers that they should go for the repainting of their houses frequently. This is a very unique feature of the industry that the Indian people will go for repainting either for some festival such as Diwali or occasions like Marriage or when the repainting is absolutely unavoidable.

**Competition from Unorganised and Small Players:** A critical challenge in the paints industry is the competition from unorganised and small players; who are not liable for excise as well as other taxes. This results in creating a level playing field between unorganized/small players and organised segments. In the unorganised segment, there are about 2,000 units having small and medium sized paint manufacturing plants.

Category	Definition	Number of Players	Characteristics
Very Large Players	Annual sales >INR 2000 crore	4	- National presence - Own distribution network
Large / Mid-size Players	Annual sales between INR 10 - 2000 crore	175	- National / regional presence or present in more than 2 regions - Own distribution network. - A handful of players work as contract manufacturers for big players
Small Players	Annual sales up to INR 10 crore	2250	- Unorganised sector - Mostly manufacturing low-end industrial paints

*(Source: AC Nielsen Report on Market Study on Paint Industry in India” issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)*



## BUSINESS OVERVIEW

Our Company was originally incorporated at New Delhi as “Sircolor Wood Coatings Private Limited” on 19<sup>th</sup> January, 2006 under the provisions of the Companies Act, 1956. Thereafter, the Name of the Company was changed to “Sirca Paints India Private Limited” vide fresh certificate of incorporation dated 3<sup>rd</sup> May, 2017 issued by the Registrar of Companies, Delhi. Consequently, the name of the Company was changed to “Sirca Paints India Limited” vide fresh certificate of incorporation dated 17<sup>th</sup> January, 2018 issued by the Registrar of Companies, Delhi.

The Foundation of Our Company was laid down by Mr. Sanjay Agarwal, Mr. Apoorv Agarwal and Mr. Gurjit Singh Bains in the year 2006 with a vision to have a distinct global presence in Paint Industry by providing high quality coatings and technical assistance which leads to as healthy customer relationship. After establishment, Our Company started import of Polyurethane Polish (PU) products from Italy and wall paints & Abrasives from Korea and selling them in India as a first step of Journey.

Our Company is the first Company to launch wood filler in India and opened its wholly owned branches in Mumbai and Chennai.

Our Company is in marketing and trading/distributor of paints and allied products after repackaging the same. Our Company use to procure the products majorly from SIRCA SPA ITALY through Import and selling them in India through its Distributors. In additional, Our Company also procure the products (Thinner, Abresives and Buffing Cream) from other suppliers based in India. Except Thinner and Abresives which are purchased from domestic suppliers, all other 100% Purchases are made from Outside India and the products which are purchased from domestic suppliers and sold out in India Only.



Our Company has entered into a Distributorship Contract dated 1<sup>st</sup> January, 2018 with SIRCA SPA ITALY wherein Our Company got the Exclusive Right to promote the sale of PU & Metal Coating under trademark SIRCA in the territory of India, Sri Lanka, Bangladesh and Nepal with a minimum turnover of EURO 4,300,000 (Four Million three hundred thousands) and EURO 4,800,000 (Four million eight hundred thousand) to be achieved in the year 2018 and 2019 respectively.

Our Company has entered into a Manufacturing License Agreement dated 16<sup>th</sup> February, 2018 with SIRCA S.P.A. Italy for manufacturing the following products that our Company is currently distributing under the Product Distribution Agreement. Pursuant to this agreement, Our Company is having an Exclusive Right to manufacture the following products in India, under the mark “SIRCA”.

- Paints NC;
- Paints AC;
- Thinner;
- Polyurethane Products.

### Proposed Production Capacity:

Presuming 300 operating days in a year and single Shift (12 Hours)-working basis, the production capacity of the unit is mfg. of 3000000 kgs of PU Thinner and 3600000 kgs of NC Lacquers 3600000kgs of melamine

**and 2000000kgs of Polyurethane products per annum initially, which is likely to be increased in the subsequent years. Actual utilization is expected to be 25 % in 1st year, 40 % in 2nd year, 60 % in 3rd year and approx 75% and above in further years.**

Our Managing Director, Mr. Sanjay Agarwal is the guiding force behind the strategic decisions of our Company. His industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Our Company deploy the strategies to minimize the various risk associated with Business. Our Company obtains Buyers Credit from time to time for its Imports to minimize the credit risk and also enter into forward contracts from time to time to avoid the risk associated with the fluctuation of foreign exchange rates.

We, at Sirca paints, strive to be industry leaders in all our current business and aspire to be the pioneers in business of the future. We are currently focused to bring out the next phase of growth by entering into new phases and evolving into, even better players, in our existing business.

Our Company is built for the long term and is strongly established on sustainable fundamentals. Relationships fostered and sustained with our clients over a period of time; serves our aim to add vital value for the client by deeply understanding them and their ecosystem. We believe in creating and passing- enhanced value, enhanced wealth and enhanced goodness with each transaction.

Our Company has shown a tremendous growth in its total revenue, Our Total revenue has increased more than doubled in last 5 (five) years. Our total revenue in the Financial Year 2012-13 was Rs. 3402.29 Lacs which is now Rs. 8434.17 Lacs in the Financial Year 2016-17 and has shown an Increment of 147.89 %.

Our Profit after tax also shown as steep rise in last 5 (Five) years from Rs. 50.40 lacs in the Financial year 2012-13 to Rs. 1370.34 Lacs in the Financial Year 2016-17 an Increment of 2618.93 %. Also, Our total revenue for the nine months ended on 31<sup>st</sup> December, 2017 is Rs. 6470.29 lacs with a profit after tax of Rs. 1459.95 Lacs showing a growing trend of our Business operations over the previous years.

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED FINANCIAL STATEMENTS**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen 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 except as follows:

1. The Board of Directors appointed Mr. Chahat Mahajan as Company Secretary and Compliance officer of the Company and accepted the resignation of Ms. Chanchal Gupta from the post of Company Secretary and Compliance officer with effect from 21<sup>st</sup> February, 2018;
2. The Shareholders of the Company approved and passed a special resolution on 3<sup>rd</sup> January, 2018 for conversion of the Company into Public Limited Company and alteration in Articles of Association and Memorandum of Association;
3. The shareholders approved and passed a special resolution on 3<sup>rd</sup> March, 2018 to authorize the Board of Directors to Borrow the Funds.
4. The shareholders approved and passed a special resolution on 24<sup>th</sup> February, 2018 to authorize the Board of Directors to raise funds by making an Initial Public Offering.

#### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page 13 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:



- Our success depends on the value, perception and quality of our product;
- Branding and marketing;
- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition in the Industry;
- Changes in technology;
- Any change in the laws and regulations to Industry in which we operate;
- Operational guidance and support

## DISCUSSION ON RESULT OF OPERATION

The following discussion on result of operations should be read in conjunction with the restated financial statements of our Company for the financial period ended December 31, 2017 and for the financial years ended March 2017, 2016, 2015, 2014 and 2013.

## OVERVIEW OF REVENUE & EXPENDITURE

### Revenues:

#### *Income from operations:*

Our principal component of revenue from operations is from income from trading of wood coating paints and allied products.

#### *Other Income:*

Our other income mainly includes interest income, Foreign Exchange Fluctuation Gain.

(Rs. In Lacs)

Particulars	For the period ended	2017	2016	2015	2014	2013
	December, 2017					
<b>Income</b>						
Revenue from Operations	6395.28	8,251.01	7,054.57	6,525.45	5,552.35	3,431.92
As a % of Total Revenue	98.84	97.83	97.09	93.53	102.67	100.87
Other Income	75.01	183.16	211.52	451.40	(144.35)	(29.63)
As a % of Total Revenue	1.16	2.17	2.19	6.47	(2.67)	(0.87)
<b>Total Revenue</b>	<b>6470.29</b>	<b>8,434.17</b>	<b>7,266.09</b>	<b>6,976.85</b>	<b>5,408.00</b>	<b>3,402.29</b>

### Expenditure:

Our total expenditure primarily consists of employee benefit expenses, Operating, Administrative, Selling and Other Expenses, finance cost, depreciation and other expenses.

#### **Employee benefits expense**

Our employee benefits expense primarily comprise of salaries and wages expenses and staff welfare expenses.

#### **Depreciation & Amortization**

Depreciation includes depreciation on tangible assets like building, furniture & fixtures, computers and office equipment. Amortization includes amortization of intangible assets.

### Other Expenses

Other expenses include the following:

- Operating expenses like electricity expenses.
- General expenses like marketing and sales promotion expenses, printing, stationery, insurance, audit and professional fees etc.
- Administrative and other expenses such as insurance, traveling, Legal expenses, etc.

### Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

*(Rs. In Lacs)*

Particulars	For the period ended 31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Income:-</b>						
Revenue from Operations	4,201.72	8,251.01	7,054.57	6,525.45	5,552.35	3,431.92
<i>As a % of Total Revenue</i>	98.84	97.83	97.09	93.53	102.67	100.87
Other Income	75.01	183.16	211.52	451.40	-	-
					144.35	29.63
<i>As a % of Total Revenue</i>	1.16	2.17	2.91	6.47	- 2.67	- 0.87
<b>Total Revenue (A)</b>	<b>6470.29</b>	<b>8,434.17</b>	<b>7,266.09</b>	<b>6,976.85</b>	<b>5,408.00</b>	<b>3,402.29</b>
<b>Growth %</b>	<b>-</b>	<b>16.08</b>	<b>4.15</b>	<b>29.01</b>	<b>58.95</b>	<b>-</b>
<b>Expenditure:-</b>						
Purchases of Stock in Trade	3703.40	5,302.33	5,178.08	4,844.10	4,310.06	2,411.14
<i>As a % of Total Revenue</i>	57.24	62.87	71.26	69.43	79.70	70.87
Change in inventories of finished goods, work in progress and cost-in-trade	(735)	(409.45)	(251.37)	153.85	43.03	(271.64)
Employees Benefit Expenses	419.79	375.66	261.75	197.71	190.93	145.45
<i>As a % of Total Revenue</i>	6.49	4.45	3.60	2.83	3.53	4.28
Operating, Administrative, Selling and Other Expenses	807.43	959.54	902.09	769.63	500.69	920.42
<i>As a % of Total Revenue</i>	12.48	11.38	12.42	11.03	9.26	27.05
Depreciation and Amortization Expense	48.10	39.71	51.47	45.88	25.60	23.81
<i>As a % of Total Revenue</i>	0.74	0.47	0.71	0.66	0.47	0.70
Interest & Finance Charges	8.31	10.80	10.44	19.61	36.74	97.67
<i>As a % of Total Revenue</i>	0.13	0.13	0.14	0.28	0.68	2.87
<b>Total Expenses (B)</b>	<b>4252.03</b>	<b>6,278.59</b>	<b>6,152.46</b>	<b>6,030.78</b>	<b>5,107.05</b>	<b>3,326.85</b>
<i>As a % of Total Revenue</i>	<b>65.72</b>	<b>74.44</b>	<b>84.67</b>	<b>86.44</b>	<b>94.44</b>	<b>97.78</b>

Particulars	For the period ended	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	31.12.2017					
Profit before extraordinary items and tax	2218.26	2,155.58	1,113.63	946.07	300.95	75.44
As a % of Total Revenue	34.28	25.56	15.33	13.56	5.56	2.22
Extraordinary Items	-	-	-	-	-	-
Profit before Tax	2218.26	2,155.58	1,113.63	946.07	300.95	75.44
PBT Margin	34.28	25.56	15.33	13.56	5.56	2.22
Tax Expense:						
i. Current Tax	758.00	788.01	391.00	333.25	102.40	24.15
ii. Short / (Excess) provision	-	-	-	-	-	-
iii. Deferred Tax	(0.31)	(2.77)	(4.99)	(5.06)	1.44	0.89
Total Tax Expense	758.31	785.24	386.01	328.19	103.84	25.04
Profit for the year/period	1459.95	1,370.34	727.62	617.88	197.11	50.40
PAT Margin %	22.56	16.25	10.01	8.86	3.64	1.48

## REVIEW OF SIX MONTHS ENDED DECEMBER 31, 2017

### INCOME

#### *Income from Operations*

Our income from operations was Rs. 4,201.72 lacs which is 98.84% of our total revenue for the period of Nine months ended on December 31, 2017.

#### *Other Income*

Our other income was Rs. 75.01 lacs which is 1.16 for the period of Nine months ended on December 31, 2017.

### EXPENDITURE

#### *Employee Benefits Expenses*

Our employee benefits expenses were Rs. 419.79 lacs which was 6.49% of our total revenue for the period of Nine months ended on December 31, 2017 and comprised of salaries & wages and staff welfare expenses etc.

#### *Operating, Administrative, Selling and Other Expenses*

Our Operating, Administrative, Selling and Other expenses were Rs. 807.43 lacs which is 12.48% of our total revenue the period of Nine months ended on December 31, 2017. These expenses include operating expenses, general expenses, administrative and selling expenses.

#### *Depreciation and amortisation*

Depreciation and amortisation expenses were Rs. 48.10 lacs which is 0.74% of our total revenue for the period of Nine months ended on December 31, 2017.

### **Finance Cost**

Our finance cost which consists of interest on loan, processing fee and charges of Rs. 8.31 lacs which is 0.13% of our total revenue for the period of Nine months ended on December 31, 2017.

### **Profit Before Tax**

Our Profit Before Tax was Rs. 2218.26 lacs which is 34.28% of our total revenue the period of Nine months ended on December 31, 2017.

### **Net Profit**

Our Net Profit After Tax was Rs. 1459.95 lacs which is 22.56% of our total revenue the period of Nine months ended on December 31, 2017.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016**

### **INCOME**

#### **Income from Operations**

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Revenue from Operations	8,251.01	7,054.57	16.96

The operating income of the Company for the year ending March 31, 2017 is Rs. 8,251.01 lacs as compared to Rs. 7,054.57 lacs for the year ending March 31, 2016, showing increase of 16.96%, and such increase is due to increase in volume of operations.

#### **Other Income**

Our other income decreased from Rs. 211.52 Lacs to Rs. 183.16 lacs. This was primarily due to Interest and foreign exchange fluctuations.

#### **Operating, Administrative and Employee Costs**

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Employee Benefit Expenses	375.66	261.75	43.52
Operating, Administrative, Selling and Other Expenses	959.54	902.09	6.37

There is 43.52% increase in employee benefit expenses from Rs. 261.75 lacs in financial year 2015-16 to Rs. 375.66 lacs in financial year 2016-17 which is due to increase in staff and salary & wages. Our other expenses have also increased by 6.37% from Rs. 902.09 lacs in financial year 2015-16 to Rs. 959.54 lacs in financial year 2016-17. The increase was due to increase in operating expenses, general expenses and administrative expenses which is in line with increase in volume of operations.

#### **Depreciation**

Depreciation expenses for the Financial Year 2016-2017 have decreased to Rs. 39.71 lacs as compared to Rs. 51.47 lacs for the Financial Year 2015-2016. The decrease in depreciation was majorly due to decreases in value of tangible assets.

## Finance Charges

Our finance cost which consists of interest, processing fees and charges increased by 3.45% in FY 2016-17 as compared to FY 2015-16 due to increase in interest expenses and Bank charges.

## Profit Before Tax

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Profit Before Tax	2,155.58	1,113.63	93.56

Profit before tax increased by 93.56% from Rs. 1,113.63 lacs in financial year 2015-16 to Rs. 2,155.58 lacs in financial year 2016-17.

## Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Taxation Expense	785.24	386.01	103.42
Profit After Tax	1,370.34	727.62	88.33

Our profit after tax increased by 88.33% from Rs. 727.62 lacs in financial year 2015-16 to Rs. 1370.34 lacs in financial year 2016-17. This increment was in line with increase in operations income.

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

### INCOME

#### Income from Operations

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Revenue from Operations	7,054.57	6,525.45	8.11

The operating income of the Company for the year ending March 31, 2016 is Rs. 7054.57 lacs as compared to Rs. 6525.45 lacs for the year ending March 31, 2015, showing an increase of 8.11%, and such increase was attributed to rise in volume of our operations.

#### Other Income

Our other income decreased by 53.14% from Rs. 451.40 lacs to Rs. 211.52 lacs. This was primarily due to decrease in interest income, and foreign exchange fluctuations in fiscal 2016.

#### Operating, Administrative and Employee Costs

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Employee Benefit Expenses	261.75	197.71	32.39
Operating, Administrative, Selling and Other Expenses	902.09	769.63	17.21

There is 32.39% increase in employee benefit expenses from Rs. 197.71 lacs in financial year 2014-15 to Rs. 261.75 lacs in financial year 2015-16 which is due to increase in salaries and wages. Our Operating, Administrative, Selling and Other Expenses expenses increased by 17.21% from Rs. 769.63 lacs in financial year 2014-15 to Rs. 902.09 lacs in financial year 2015-16. The increase was due to increase in operating expenses, general expenses and administrative expenses, which is in line with increase in volume of operations.

#### Depreciation

Depreciation expenses for the Financial Year 2015-2016 have increased to Rs. 51.47 lacs as compared to Rs. 45.88 lacs for the Financial Year 2014-2015. The increase in depreciation was mainly due to increase in Fixed Assets.

#### Finance Charges

Our finance cost which consists of interest, processing fees and charges decreased by 46.76 % in FY 2015-16 compared to FY 2014-15.

#### Profit Before Tax

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Profit Before Tax	1,113.63	946.07	17.71

Profit before tax increased by 17.71% from Rs. 946.07 lacs in financial year 2014-15 to Rs. 1113.63 lacs in financial year 2015-16.

#### Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Taxation Expense	386.01	328.19	17.62
Profit After Tax	727.62	617.88	17.76

Our profit after tax increased by 17.76% from Rs. 617.88 lacs in financial year 2014-15 to Rs. 727.62 lacs in financial year 2015-16. This increase was in line with our increase in operations.

#### COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2015 WITH FINANCIAL YEAR ENDED MARCH 31, 2014

#### INCOME

#### Income from Operations

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Revenue from Operations	6,525.45	5,552.35	17.53

The operating income of the Company for the year ending March 31, 2015 is Rs. 6,525.45 lacs as compared to Rs. 5,552.35 lacs for the year ending March 31, 2014, showing an increase of 17.53%, and such increase was attributed to rise in volume of operations.

## Other Income

Our Other Income for the financial year ended 31<sup>st</sup> March, 2015 was at Rs. 451.40 Lacs as against Rs. (144.35) Lacs for the fiscal year 2014.

## Operating, Administrative and Employee Costs

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Employee Benefit Expenses	197.71	190.93	3.55
Operating, Administrative, Selling and Other Expenses	769.63	500.69	53.71

There is around 3.55% increase in employee benefit expenses from Rs. 190.93 lacs in financial year 2013-14 to Rs. 197.71 lacs in financial year 2014-15. This was due to increase in salaries and wages and increase in staff.

Our Operating, Administrative, Selling and Other Expenses increased by 53.71% from Rs. 500.69 lacs in financial year 2013-14 to Rs. 769.63 lacs in financial year 2014-15. The increase is in line with the increase in volume of operations.

## Depreciation

Depreciation expenses for the Financial Year 2014-2015 have increased to Rs. 25.60 lacs as compared to Rs. 45.88 for the Financial Year 2013-2014, this is due to increase in fixed assets.

## Finance Charges

Our finance cost which consists of interest, processing fees and charges for the financial year ended 31<sup>st</sup> March, 2015 was at Rs. 19.61 Lacs as against Rs. 36.74 Lacs for the fiscal year 2014.

## Profit Before Tax

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Profit Before Tax	946.07	300.95	214.36

Profit before tax increased by 214.36% from Rs. 300.95 lacs in financial year 2013-14 to Rs. 946.07 lacs in financial year 2014-15.

## Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Taxation Expense	328.19	103.84	216.05
Profit After Tax	617.88	197.11	213.47

Our profit after tax increased by 213.47% from Rs. 197.11 lacs in financial year 2013-14 to Rs. 617.88 lacs in financial year 2014-15. This increase was mainly due to increase in revenue from operations.



## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2014 WITH FINANCIAL YEAR ENDED MARCH 31, 2013

### INCOME

#### Income from Operations

(Rs. In Lacs)

Particulars	2013-14	2012-13	Variance In %
Revenue from Operations	5,552.35	3,431.92	61.79

The operating income of the Company for the year ending March 31, 2014 is Rs. 5552.35 lacs as compared to Rs. Rs. 3431.92 for the year ending March 31, 2013 and such increase was attributed to starting of operations and increase in volume of our operations.

#### Other Income

Our Other Income was Rs. (29.43) lacs for the financial year ended 31<sup>st</sup> March, 2013 and Rs. (144.35) lacs for the financial year 31<sup>st</sup> March, 2014.

#### Operating, Administrative and Employee Costs

(Rs. In Lacs)

Particulars	2013-14	2012-13	Variance In %
Employee Benefit Expenses	190.93	145.45	31.27
Operating, Administrative, Selling and Other Expenses	500.69	920.42	-45.60

The employee benefit expenses was Rs. 190.93 Lacs for the financial year ended 31<sup>st</sup> March, 2014 and Rs. 145.45 Lacs for the financial year 31<sup>st</sup> March, 2013. Our Operating, Administrative, Selling and Other Expenses decreased from Rs. 920.42 Lacs in financial year 2012-13 to Rs. 500.69 lacs in financial year 2013-14. The decrease was due to decrease in operating expenses, general expenses and administrative expenses.

#### Depreciation

Depreciation was Rs. 25.60 Lacs for the financial year ended 31<sup>st</sup> March, 2014 and Rs. 23.81 Lacs for the financial year 31<sup>st</sup> March, 2013.

#### Finance Charges

Our finance cost was Rs. 36.74 Lacs for the fiscal 2013-14 as compared to Rs. 97.67 Lacs for fiscal 2012-13.

#### Profit Before Tax

(Rs. In Lacs)

Particulars	2013-14	2012-13	Variance In %
Profit Before Tax	300.95	75.44	298.93

Profit before tax increased from Rs. 75.44 Lacs in financial year 2012-13 to Rs. 300.95 Lacs in financial year 2013-14.

## Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2013-14	2012-13	Variance In %
Taxation Expense	103.84	25.04	314.70
Profit After Tax	197.11	50.40	291.09

Profit after tax increased from Rs. 50.40 Lacs in financial year 2012-13 to Rs. 197.11 lacs in financial year 2013-14 due to increase in volume of operations.

## OTHER MATTERS

### Unusual or infrequent events or transactions

There are no transactions or events, which in our best judgement, would be considered unusual or infrequent that have significantly affected operations of the Company.

### Significant economic changes that materially affected or are likely to affect income from continuing operations

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

### Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the section titled "Risk Factors" beginning on page 13 of this Red Herring Prospectus 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.

### Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the goods in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the services to the customers in full and this can be offset through cost reduction.

### The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

### Total turnover of each major industry segment in which the issuer company operates.

The Company is operating business segment i.e. Trading/Distributorship and Marketing of paints and allied products. Relevant industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page 104 of this Red Herring Prospectus.

#### Status of any publicly announced new products/projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the Red herring Prospectus.

#### The extent to which the business is seasonal

Our Company's business is not seasonal in nature.

#### Any significant dependence on a single or few suppliers or customers

Our Company is not dependent on few customers, however, The % of Contribution of our Company's supplier vis a vis the total raw materials/ finished goods cost respectively as December 31, 2017 is as follows:

Particulars	Suppliers
Top 5 (%)	82.40
Top 10 (%)	86.12

#### Competitive Conditions

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the industry / sector in India and international market 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 unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "Risk Factors" on page 13 of Red Herring Prospectus.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated below and mentioned elsewhere in this Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, statutory or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries and Group Companies or against any other company whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on 24<sup>th</sup> February, 2018 determined that outstanding dues to creditors in excess of Rs 5 lakhs of our Company as per last audited financial statements shall be considered as material dues (Material Dues). Our Board, in its meeting held on 3<sup>rd</sup> March, 2018 determined that litigations involving an amount of more than Rs 5 lakhs as per last audited financial statements shall be considered as material. Unless otherwise stated to contrary, the information provided is as of date of this Red Herring Prospectus.

#### LITIGATION INVOLVING OUR COMPANY

##### **Against our Company**

##### ***Criminal Litigation***

***Nil***

##### ***Civil Proceedings***

***Nil***

##### ***Proceedings against Our Company for economic offence/securities laws/ or any other law***

***Nil***

##### ***Penalties in Last Five Years***

***Nil***

***Pending Notice against our Company***

Nil

***Past Notice to our Company***

Nil

**Disciplinary Action taken by SEBI or stock exchanges against Our Company**

Nil

**Defaults including non payment or statutory dues to banks or financial institutions**

Nil

**Details of material fraud against the Company in last five years and action taken by the Companies.**

Nil

**LITIGATION FILED BY OUR COMPANY**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

**LITIGATION INVOLVING DIRECTORS OF OUR COMPANY**

***Litigation against our Directors***

Nil

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

***Past Penalties imposed on our Directors***

Nil

***Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law***

Nil

***Directors on list of wilful defaulters of RBI***

Nil

**Litigation by Directors of Our Company**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

**LITIGATION INVOLVING PROMOTER OF OUR COMPANY**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

***Past Penalties imposed on our Promoters***

Nil

***Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law***

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil

**Penalties in Last Five Years**

Nil

**Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

**Litigation by Our Promoters**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

**LITIGATION INVOLVING OUR GROUP COMPANIES**

***Outstanding Litigation against our Group Companies***

Nil

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Past Penalties imposed on our Group Companies**

Nil

**Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any *Group Companies***

Nil

**Adverse finding against *Group Companies* for violation of Securities laws or any other laws**

Nil

**LITIGATION BY OUR GROUP COMPANIES**



***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

**LITIGATION INVOLVING OUR SUBSIDIARIES**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

***Past Penalties imposed on our Subsidiaries***

Nil

***Proceedings initiated against our Subsidiaries for Economic Offences/securities laws/ or any other law***

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Subsidiaries**

Nil

**Adverse finding against Subsidiaries for violation of Securities laws or any other laws**

Nil

**LITIGATION BY OUR SUBSIDIARIES**

***Criminal Litigation***

Nil

***Civil Proceedings***

Nil

***Taxation Matters***

Nil

## OTHER MATTERS

Nil

Details of any inquiry, inspection or investigation initiated under present or previous companies laws in last five years against the Company or its subsidiaries: NIL

Outstanding Litigation against other companies or any other person whose outcome could have an adverse effect on our company: NIL

## Material Developments since the Last Balance Sheet

Except as disclosed in Management Discussion and Analysis of Financial Condition and results of operations, there have been no material developments.

## Outstanding dues to small scale undertakings or any other creditors

As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated 24<sup>th</sup> February, 2018, considered creditors to whom the amount due exceeds Rs. 5 lakhs by our company for the purpose of identification of material creditors. Based on the above, details of material creditors of our Company as on 31<sup>st</sup> December, 2017.

Name	Amount Due (Rs. In Lacs)
Space Wood Office Solutions Pvt Ltd	5.25
Aipl Marketing Pvt Ltd	5.70
Anandkand Trading House	5.42
Borma Professional Solutions	83.35
Pai Cristal India Pvt. Ltd.	6.32
Sirca SPA	1114.42
Woodco Paints	75.83
Tin Pack Engineers	11.36

We don't owe any amount to small scale undertakings. The details pertaining to net outstanding dues towards our Material Creditors shall be made available under investors' section on the website of our Company. It is clarified that such details available on our website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

## GOVERNMENT & OTHER APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Red Herring Prospectus.

For further details in connection with the regulatory and legal framework within which we operate, please refer to the section titled “Key Industry Regulations and Policies” on page 148 of this Red Herring Prospectus.

### APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 24<sup>th</sup> February, 2018 authorized the Issue.
2. The Shareholders of our Company have, pursuant to a resolution passed at Extra Ordinary General Meeting held on 3<sup>rd</sup> March, 2018 authorized the Issue.
3. We have received in-principle approvals from NSE-EMERGE for the listing of our Equity Shares pursuant to letters dated 6<sup>th</sup> April, 2018.


### INCORPORATION DETAILS

1. Certificate of Incorporation dated 19<sup>th</sup> January, 2006 issued by Registrar of Companies, NCT of Delhi & Haryana in the name of Sircolor Wood Coatings Private Limited.
2. Fresh Certificate of Incorporation dated 3<sup>rd</sup> May, 2017 issued by Registrar of Companies, Delhi in the name of Sirca Paints India Private Limited.
3. Fresh Certificate of Incorporation dated 17<sup>th</sup> January, 2018 issued by Registrar of Companies, Delhi in the name of Sirca Paints India Limited.
4. The Company Identification Number (CIN) is U24219DL2006PLC145092.

### APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR OPERATION:

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Expiry
Issuer Company : SIRCA PAINTS INDIA LIMITED				
1.	Permanent Account Number	AAKCS5389M	Income Tax Department	N.A.
2.	Tax Deduction Account Number (TAN)	DELS33380E	Income Tax Department	N.A.
3.	Goods and Service Tax (GST)(Delhi)	07AAKCS5389M1ZH	Government of India	N.A.

## TRADEMARK REGISTRATIONS

S.No.	Particulars	Logo	Particulars Of Authority to Use the Logo
1.	Trade Mark		<p>The logo is the registered property of M/s Sirca SPA that allowed our Company to Use its Name/ Mark in its Products distributed by Our Company under Distributor Agreement and Manufacturing License Agreement and being the Exclusive Distributor SIRCA SPA's Product in India, Sri Lanka, Bangladesh and Nepal. However, our Company is also using the logo for business purpose.</p> <p><i>For more information, please refer the chapter titled "Risk Factors" and "Our History and Certain Other Corporate Matters" and "our Business" beginning on pages 13, page 157 and page 123 respectively of this Red Herring Prospectus.</i></p>

## OTHER BUSINESS APPROVALS/ REGISTRATIONS

S.No.	Particulars	Validity
1.	<p>Certificate of Importer-Exporter Code by office of Zonal Director General of Foreign Trade, Ministry of Commerce and Industry.</p> <p>IEC Number 0507032209</p>	-
2.	<p>Employees's Provident fund Registration</p> <p>Establishment ID: DLCPM0039792000</p>	-

- *Ordinary membership of the Indo Italian Chamber of Commerce and Industry was valid upto 31<sup>st</sup> March, 2018. However, Our Company has applied for its renewal.*
- *Trade/Storage License dated 23<sup>rd</sup> August, 2017 No. 522013 from North Delhi Municipal Corporation.*

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on 24<sup>th</sup> February, 2018 and by the Shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the EGM of our Company held on 3<sup>rd</sup> March, 2018 at registered office of the Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

None of our Company, our Directors, Our Promoters, relatives of Promoters, our Promoter Group, and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors is associated with the securities market in any manner, including securities market related business.

### ELIGIBILITY FOR THIS ISSUE

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations; and this Issue is an Initial Public Offer in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than ten crore and upto twenty five crore and we shall hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the NSE EMERGE)

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred per cent underwritten and that the Book Running Lead Manager to the Issue will underwrite atleast 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled *General Information* beginning on page 52 of this Red Herring Prospectus
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable laws. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Red Herring Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that

our Book Running Lead Manager submits the copy of Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus with Stock Exchange and the Registrar of Companies.

4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Book Running Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of market making please refer to the chapter titled *General Information* beginning on page 52 of this Red Herring Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application; and
6. Net worth of the Company is positive.
7. The Post-issue paid up capital of the Company shall be at least Rs. 1 Crore.
8. The Company shall mandatorily facilitate trading in demat securities and has entered into agreements with both the depositories.
9. The Company has not been referred to Board for Industrial and Financial Reconstruction.
10. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company
11. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
12. There has been no change in the Promoter(s) of the Company in the preceding one year from the date of filling application to NSE-Emerge Platform.
13. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company, Promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
14. There is no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.
15. The Company has a website [www.sircapaints.com](http://www.sircapaints.com)

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

## DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED, SHALL FURNISH TO STOCK EXCHANGE/ SEBI A DUE DILIGENCE CERTIFICATE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 AFTER FILING OF RED HERRING PROSPECTUS WITH ROC AND BEFORE OPENING OF IPO.

“WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

5. 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 RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
6. 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 RED HERRING PROSPECTUS FILED WITH THE EXCHANGE / 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 RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
7. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
8. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.



9. 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 PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.
10. 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 RED HERRING PROSPECTUS.
11. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
12. 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.
13. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE RED HERRING 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
14. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE
15. 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.
16. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING 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.

17. 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
18. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT 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.
19. 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 RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. - CHECKLIST ENCLOSED
20. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR - DETAILS ARE ENCLOSED IN "ANNEXURE A".
21. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS."- COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE RED HERRING PROSPECTUS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. "WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. - NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUBREGULATION 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 RED HERRING PROSPECTUS. - NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING 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.

**7. WE CONFIRM THAT MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE. - NOTED FOR COMPLIANCE**

**Note:**

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under section 34, 35 and 36(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and 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 Book Running Lead Manager any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Delhi, in terms of Section 26 and 32 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.sircapaints.com](http://www.sircapaints.com) would be doing so at his or her own risk.

**Caution**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Manager and our Company dated 6<sup>th</sup> March, 2018, the Underwriting Agreement dated 19<sup>th</sup> April, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated 19<sup>th</sup> April, 2018 entered into among the Market Maker, Book Running Lead Manager and our Company.

Our Company and the Book Running Lead Manager shall make all information available 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, etc.

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Navigant Corporate Advisors Limited is not an associate of the Company and is eligible to Book Running Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and 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 and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by M/s Navigant Corporate Advisors Limited, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer Annexure A to this Red Herring Prospectus and the website of the Book Running Lead Manager at [www.navigantcorp.com](http://www.navigantcorp.com).

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring 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, except that this Red Herring Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no 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.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE**

As required, a copy of this Red Herring Prospectus has been submitted to NSE. The disclaimer clause is intimated by NSE to us post scrutiny of this Red herring Prospectus shall be included in the Red Herring Prospectus and Prospectus prior to filing them with the RoC.

#### **FILING**

The Red Herring Prospectus has not been filed with SEBI, nor SEBI has issued any observation on the Offer Document in terms of Regulation 106(M)(3). However, a copy of the Red Herring Prospectus shall be filed with

SEBI at SEBI Regional Office, Northern Regional Office, 5<sup>th</sup> Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi-110001. A copy of both, the Red Herring Prospectus and Prospectus, along with the documents required to be filed under Section 26 and Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at 4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019.

## LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in principle approval from SME Platform of NSE. However application will be made to the SME Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of NSE has given its in-principal approval for using its name in our Red Herring Prospectus vide its letter dated 6<sup>th</sup> April, 2018.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of NSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the NSE mentioned above are taken within six Working Days from the Issue Closing Date

## CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, the Statutory Auditors, the Peer Reviewed Auditors, the Banker(s) to the Company; and (b) Book Running Lead Manager, Underwriters, Market Maker, Registrar to the Issue, Public Issue Banker, Refund Banker, Legal Advisor to the Issue to act in their respective capacities have been obtained and is filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus/ Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus & Prospectus for filing with the RoC.

## EXPERT TO THE ISSUE

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

- Report of the Peer Reviewed Auditor on Restated Financial Statements;
- Report of the Statutory Auditor on Statement of Tax Benefits.

## EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter *Objects of the Issue* beginning on page 86 of this Red Herring Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Book Running Lead Manager**

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issue by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated 6<sup>th</sup> March, 2018, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Offer is as set out in the Underwriting Agreement to entered into between our Company and the Book Running Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2013

## **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation, and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an Initial Public Offering in terms of the SEBI (ICDR) Regulations.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled *Capital Structure* beginning on page 63 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our 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 our Equity Shares since our inception.

## **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:**

None of the equity shares of our Group Companies are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.



## **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Issue is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Issue is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on 3<sup>rd</sup> January, 2018 For further details, please refer to the chapter titled *Our Management* beginning on page 163 of this Red Herring Prospectus.

Our Company has appointed Mr. Chahat Mahajan as Compliance Officer and she may be contacted at the following address:

Mr. Chahat Mahajan,  
Company Secretary & Compliance Officer;  
504, NDM 2,  
Netaji Subhash Place, Wazirpur,  
Pitampura, Delhi-110034  
Tel: + 91-11-42083083, 47533213  
Email: [cs@sircapaints.com](mailto:cs@sircapaints.com)  
Website: [www.sircapaints.com](http://www.sircapaints.com)



Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, etc.

#### CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

There has been change in the auditors of our Company for the last three years as given below:

Financial Year	Particular of Change	Reason
2017-18	M/s Rajesh Kukreja & Associates has been appointed as the Statutory Auditors of the Company in place of M/s Khatuwala Associates	M/s Khatuwala Associates has resigned due to preoccupation.

#### CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled *Capital Structure* beginning on page 63 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

#### REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

#### PURCHASE OF PROPERTY

Other than as disclosed in this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

#### SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## SECTION VII ISSUE RELATED INFORMATION TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the 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 FIPB, the Stock Exchanges, the RBI, RoC 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, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### RANKING OF EQUITY SHARES

The Equity Shares being issue and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled *Main Provisions of Articles of Association* beginning on page 308 of this Red herring Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association. For further details, please refer to the chapter titled *Dividend Policy* on page 182 of this Red herring Prospectus.

### FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised in all edition of the English national newspaper Financial Express, all edition of the Hindi national newspaper Jansatta and the Regional newspaper Jansatta, each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

## COMPLIANCE WITH SEBI ICDR REGULATIONS

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the section titled *Main Provisions of Articles of Association* beginning on page 308 of this Red herring Prospectus.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated 6<sup>th</sup> April, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated 23<sup>rd</sup> March, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [•] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

## MINIMUM NUMBER OF ALLOTTEES

Further in accordance with Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by SCSBs shall be unblocked within 4 days of closure of issue.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Delhi.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## JOINT HOLDER

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013, the sole applicant, or the 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 Applicant, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions 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.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/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 Bid/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 Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange.

## BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	16 <sup>th</sup> May, 2018
Bid / Issue Closing Date	22 <sup>nd</sup> May, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	25 <sup>th</sup> May, 2018
Initiation of Refunds/ un-blocking of ASBA Accounts	On or before 28 <sup>th</sup> May, 2018
Credit of Equity Shares to demat accounts of Allottees	On or before 29 <sup>th</sup> May, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	30 <sup>th</sup> May, 2018

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLMs. 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 Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band 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.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids 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 Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on

the Bid/Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106( R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## **MIGRATION TO MAIN BOARD**

Our company may migrate to the Main board of NSE from SME Exchange on a later date subject to the following:

- *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*
- *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

## **MARKET MAKING**

The shares issued and transferred through this Issue are proposed to be listed on the NSE EMERGE (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE EMERGE. For further details of the market making arrangement please refer to chapter titled *General Information* beginning on page 52 of this Red herring Prospectus.

## **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on NSEEMERGE.

## **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

## **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.



## **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## **APPLICATION BY ELIGIBLE NRIs, FPIs REGISTERED WITH SEBI, VCFS, AIF REGISTERED WITH SEBI AND QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter *Capital Structure* beginning on page 63 of this Red herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled *Main Provisions of the Articles of Association* beginning on page 308 of this Red herring Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital does not is more than ten crore rupees and upto twenty five crores. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the NSE EMERGE). For further details regarding the salient features and terms of such an issue please refer chapter titled *Terms of the Issue* and *Issue Procedure* on page 251 and 262 of this Red Herring Prospectus.

### Following is the issue structure:

Public Issue of upto 48,69,600 Equity Shares for cash at price of Rs. [●] per share (including a premium of Rs. [●] per share) aggregating to Rs. [●]. The Issue comprises a net issue to the public of up to 46,25,600 Equity Shares (the Net Issue). The Issue and Net Issue will constitute 26.65% and 25.32% of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of upto 2,44,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker (the Market Maker Reservation Portion).

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	Upto 22,98,400 Equity Shares	Upto 2,44,000 Equity Shares	Not less than 6,99,200 Equity Shares	Not less than 16,28,000 Equity Shares
Percentage of Issue Size available for allocation	49.69% of Net the Issue size shall be available for allocation to QIBs. However, up to 5% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only.  Upto 60% of the QIB Portion may be available for allocation to Anchor Investors and onethird of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only*	5.01 %of Issue Size	Not less than 15 % of the net Issue shall be available for allocation	Not less than 35 % of the net Issue shall be available for allocation
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion:- a) upto 46,400 Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only and; b) 9,28,000 Equity shares shall be allotted on a	Firm allotment	Proportionate	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non Institutional Bidders	Retail Individual Bidders
	<p>proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above 13,70,400 Equity Shares may be allocated on a discretionary basis to Anchor Investors</p> <p>For further details please refer to the section titled Issue Procedure beginning on page 262 of the Red Herring Prospectus</p>			<p>further details please refer to the section titled Issue Procedure beginning on page 262 of the Red Herring Prospectus</p>
<b>Mode of Bid cum Application</b>	Through the ASBA Process only (except Anchor Investors)	Through ASBA Process only	Through ASBA Process only	Through ASBA Process only
<b>Minimum Bid Size</b>	Such number of Equity Shares in multiples of [●] Equity Shares that the Application size exceeds Rs 2,00,000	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs. 2,00,000	[●] Equity Shares in multiple of [●] Equity shares
<b>Maximum Bid Size</b>	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to limits as applicable to the Bidder	Upto [●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs. 2,00,000
<b>Mode of Allotment</b>	Compulsorily in Dematerialized mode			
<b>Trading Lot</b>	[●] Equity Shares and in multiples thereof	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations.	[●] Equity Shares in multiple of [●] Equity shares	[●] Equity Shares in multiple of [●] Equity shares

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non Institutional Bidders	Retail Individual Bidders
Terms of payment	The entire Bid Amount shall be blocked at the time of submission of Bid cum Application Form to the members of the Syndicate, except for Anchor Investors. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form (other than for Anchor Investors).**			

- 1) *\*Our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2009, as amended. 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 Anchor Investor Price. For further details please refer to the section titled Issue Procedure beginning on page 262 of the Red Herring Prospectus;*
  - 2) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form;*
  - 3) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category other than the QIB Category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories;*
  - 4) *The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Allocation Price, shall be payable by Anchor Investor Pay-in Date;*
  - 5) *The Issue is being made through the Book Building Process, wherein not more than 49.69% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a*
  - 6) *proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.*
- *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLMs, reserve the right to not to proceed with the Issue after the Bid/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 Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank

accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange.

#### BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	16 <sup>th</sup> May, 2018
Bid / Issue Closing Date	22 <sup>nd</sup> May, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	25 <sup>th</sup> May, 2018
Initiation of Refunds/ un-blocking of ASBA Accounts	On or before 28 <sup>th</sup> May, 2018
Credit of Equity Shares to demat accounts of Allottees	On or before 29 <sup>th</sup> May, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	30 <sup>th</sup> May, 2018

*\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor shall Bid in the Anchor Investor Bid/Offer Period i.e. one Working Day prior to the Bid/Offer Opening Date*

Except in relation to the Bids received from Anchor Investors, Bids and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

## ISSUE PROCEDURE

*All Bidders 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), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 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 reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids 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 Red Herring Prospectus*

*Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the ASBA Form.*

*Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. 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 ASBA 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 National Stock Exchange of India Ltd. to act as intermediaries for submitting ASBA Forms are provided on <http://www.bseindia.com> For details on their designated branches for submitting ASBA Forms, please see the above mentioned NSE 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 ASBA Forms.*

## BOOK BUILDING PROCEDURE

The Issue is being made through the Book Building Process wherein 49.69% of the Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis provided that Our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulation. 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 Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund



Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

Further 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

All Bidders applying through cheques or demand drafts are required to submit their Bids through the Syndicate. In accordance with the SEBI Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis.

## BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date.

All Bidders shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of ASBA Form*
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

*Anchor Investors \*\* - As prescribed by the Issuer*

*\*excluding electronic Bid cum Application Form*

*\*\* Bid Cum application forms for anchor investors shall be available at the offices of the BRLM.*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.



## WHO CAN BID?

In addition to the category of Bidders set forth under **General Information Document for Investing in Public Issues - Category of Investors Eligible to participate in an Issue**, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

## Maximum and Minimum Application Size

### a) For Retail Individual Bidders:

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000. Retail Individual Bidders may withdraw or revise their bids until closing of issue period.

### b) For Other Bidders (Non-Institutional Bidders and QIBs):

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

## INFORMATION FOR THE BIDDERS

- Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- Our Company shall, after registering the Red Herring 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 Book Running 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.
- The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where

the Equity Shares are proposed to be listed and shall also be pre-filled in the ASBA Forms available on the websites of the stock exchanges.

- The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the ASBA Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the ASBA Form is liable to be rejected.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law

#### **AVAILABILITY OF RED HERRING PROSPECTUS AND ASBA FORM**

Copies of the ASBA Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **APPLICATIONS BY ELIGIBLE NRIs /RFPis ON REPATRIATION BASIS**

Copies of the ASBA Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **PARTICIPATION BY ASSOCIATED/ AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATIONS BY ELIGIBLE NRIs**

NRIs may obtain copies of ASBA Form from the offices of the BRLMs and the Designated Intermediaries. Eligible NRI Bidders bidding 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 Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (NRO) accounts for the full Bid Amount, at the time of the submission of the ASBA Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the ASBA Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the ASBA Form meant for Non-Residents (blue in colour)

#### **BIDS BY FPI INCLUDING 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.

In case of Bids 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 ASBA Form, failing which our Company reserves the right to reject any Bid 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 Bids 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 ASBA Form, failing which our Company reserves the right to reject any Bid 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% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% 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% 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 ASBA Form for Non-Residents (blue in colour).

## **BIDS 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 issuing.

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 issuing 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 or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

## **BIDS BY ANCHOR INVESTORS**

Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for upto 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM;
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is atleast Rs. 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of Rs. 100 million;
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds;
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day;
5. Our Company, in consultation with the BRLM, will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - a. where allocation in the Anchor Investor Portion is upto Rs. 1000.00 Lakhs, maximum of 2 (two) Anchor Investors;

- b. where the allocation under the Anchor Investor Portion is more than Rs. 1000.00 Lakhs but upto Rs. 25,000 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of Rs. 500 Lakhs per Anchor Investor; and
  - c. where the allocation under the Anchor Investor portion is more than Rs. 25,000 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto Rs. 25,000 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of Rs. 25,000 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of Rs. 500 Lakhs per Anchor Investor;
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
  7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
  8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor offer Price.
  9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public;
  10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment;
  11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI;
  12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids;
  13. Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

*For further details, please refer Issue Procedure on Page 262 of Red Herring prospectus.*

## **BIDS BY MUTUAL FUNDS**

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 index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the ASBA Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids 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 ASBA Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the ASBA Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies 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.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FII's, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the ASBA Form. Failing this, our Company reserves the right to accept or reject any Bid 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 Bids by FII's and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Form.
- b) With respect to Bids 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 ASBA Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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 ASBA Form.

- d) With respect to Bids 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 ASBA 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 ASBA Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid 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 the Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the ASBA Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid 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 the Red Herring Prospectus.

#### **BIDS BY BANKING COMPANY**

In case of Bids 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 ASBA Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the —Banking Regulation ActI), and the Master Circular dated July 1, 2015 - Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.



## **BIDS 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 Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

## **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE**

- 1) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
- 2) The Registrar will then dispatch a CAN to their Bidders 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 Bidder

## **TERMS OF PAYMENT**

### **Terms of Payment**

The entire Issue price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the ASBA Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the ASBA Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until 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 bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

## **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) Our Company has entered into an Underwriting agreement dated 19<sup>th</sup> April, 2018.

- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 26 of the Companies Act.

## **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid 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.

## **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

## **GENERAL INSTRUCTIONS**

### **Do's:**

- 1) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Ensure that you have Bid within the Price Band;
- 3) Read all the instructions carefully and complete the ASBA Form in the prescribed form;
- 4) Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 5) Ensure that your ASBA Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- 6) If the first applicant is not the account holder, ensure that the ASBA Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Form;
- 7) Ensure that the signature of the First Bidder in case of joint Bids, is included in the ASBA Forms;
- 8) Ensure that the name(s) given in the ASBA 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 Bids, the ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- 9) Ensure that you request for and receive a stamped acknowledgement of the ASBA Form for all your Bid options;
- 10) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- 11) Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- 12) Except for Bids (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) Bids 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 Bidders 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;
- 13) Ensure that the Demographic Details are updated, true and correct in all respects;
- 14) 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;
- 15) Ensure that the category and the investor status is indicated;
- 16) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 17) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 18) Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their ASBA 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 Bids are liable to be rejected. Where the ASBA 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 ASBA Form;
- 19) Ensure that the ASBA Forms are delivered by the Bidders within the time prescribed as per the ASBA Form and the Red Herring Prospectus;
- 20) Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
- 21) Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form at the time of submission of the Bid;
- 22) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your ASBA Form; and

The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not Bid for lower than the minimum Bid size;
- 2) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- 3) Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

- 4) Do not send ASBA Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the ASBA Forms to any non-SCSB bank or our Company;
- 6) Do not Bid on a ASBA Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- 8) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 9) Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
- 10) Do not fill up the ASBA Form such that the Equity Shares Bid 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 Red Herring Prospectus;
- 11) Do not submit the General Index Register number instead of the PAN;
- 12) Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
- 13) Do not submit Bids on plain paper or on incomplete or illegible ASBA Forms or on ASBA Forms in a colour prescribed for another category of Bidder;
- 14) Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 15) Do not Bid 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);
- 16) Do not submit more than five ASBA Forms per ASBA Account;

The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the ASBA Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

## COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, ASBA Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of ASBA Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders 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, etc.

## IMPERSONATION

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*“Any person who—*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

*shall be liable for action under Section 447.”*

## UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) That our Promoter's contribution in full has already been brought in;
- 5) That 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 on account of non-listing, under-subscription etc.; and
- 6) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
- 7) If our Company does not proceed with the Issue after the Bid/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 Bid/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;

- 8) If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 9) 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.

#### UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

- 1) all monies received out of the issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
- 2) details of all monies utilized out of the issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- 3) details of all unutilized monies out of the issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- 4) Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation 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 all the Stock Exchanges where listing is sought has been received.

The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

#### EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated 6<sup>th</sup> April, 2018 among NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated 23<sup>rd</sup> March, 2018 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE792Z01011.



## GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders 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 Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring prospectus before investing in the Issue.*

### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the –General Information Document for Investing in Public IssuesI is to provide general guidance to potential Bidders in IPOs, 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”).

Bidders should note that investment in equity and equity related securities involves risk and Bidder 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 Red Herring Prospectus (RHP)/Prospectus filed by the Issuer with the Registrar of Companies (RoC). Bidders should carefully read the entire RHP/Prospectus and the ASBA 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 RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/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 Bidders may refer to the section Glossary and Abbreviations.

### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

#### 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, Bidders/Applicants may refer to the Red herring Prospectus/ Prospectus.

#### 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, Bidders/Applicants may refer to the RHP/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 Bidders/Applicants may refer to the RHP/Prospectus.

## 1.4 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 issues**”) or undertake a Fixed Price Issue (“**Fixed Price Issues**”). An issuer may mention Floor Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the Red Herring 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. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## 1.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. 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/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/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

## 1.6 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main

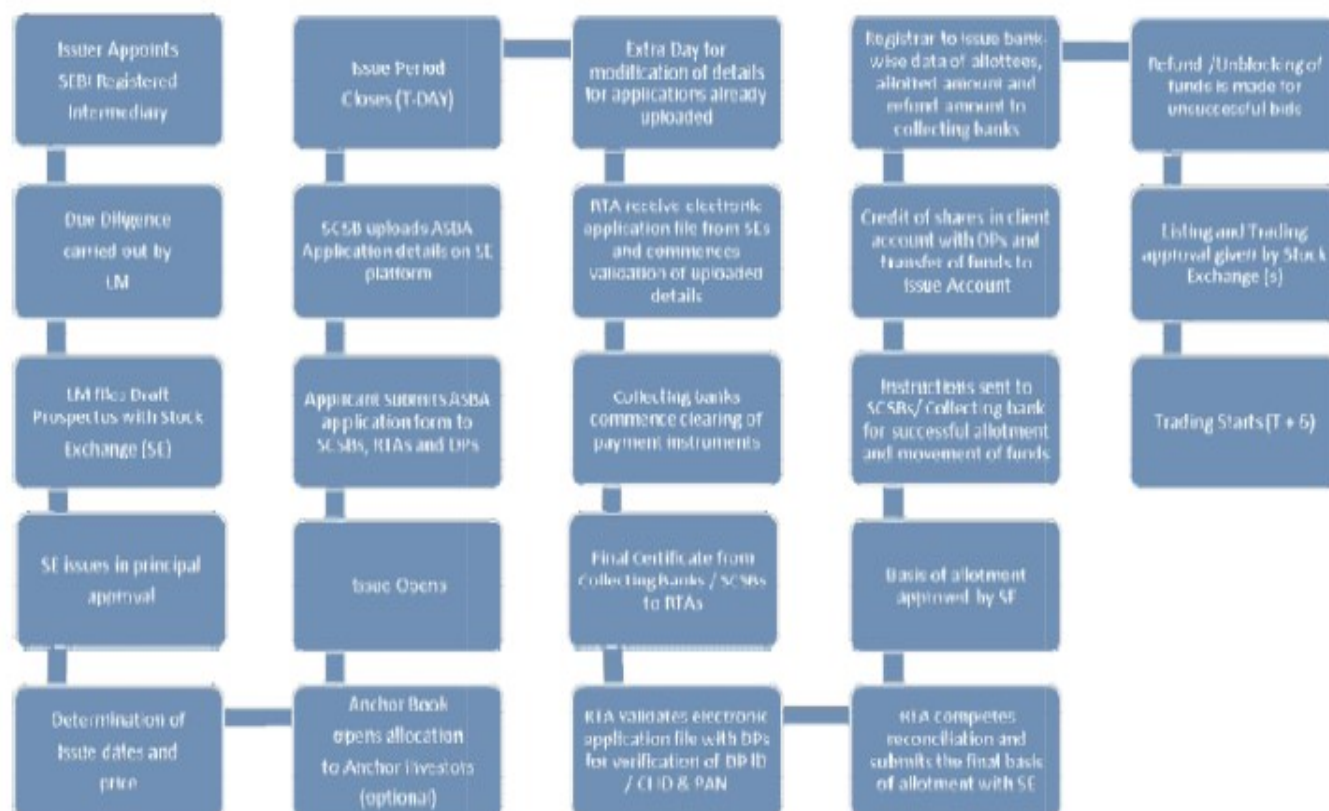
Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## 1.7 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows



## SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the ASBA Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. 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 regulations, OCBs cannot participate in this 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/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/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.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the ASBA (Excluding downloaded forms from SE website)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation Basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved Category	Not Applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE ASBA FORM/APPLICATION FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the DRHP and the ASBA Form/ Application Form are liable to be rejected.

Instructions to fill each field of the ASBA Form can be found on the reverse side of the ASBA Form. Specific instructions for filling various fields of the Resident ASBA Form and Non-Resident ASBA Form and samples are provided below.

The samples of the ASBA Form for resident Bidders and the ASBA Form for non- resident Bidders are reproduced below:

# R ASBA FORM

COMMON BID CUM APPLICATION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIB, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS	
		Address : ..... Contact Details : ..... CIN No. ....		Bid cum Application Form No. ....	
<b>TO,</b> <b>THE BOARD OF DIRECTORS</b> <b>XYZ LIMITED</b>		BOOK BUILT ISSUE			
		ISIN : .....			

SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
				Mr / Ms .....	
				Address .....	
				Tel. No (with STD code) / Mobile .....	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		1. PAN OF SOLE / FIRST BIDDER	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.			

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. INVESTOR STATUS								
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID				<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH								
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")												
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)									
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

7. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Amount paid (₹ in figures) .....		(₹ in words) .....	
ASBA Bank A/c No. .... Bank Name & Branch .....			
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED BROCHURE 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 OVER LEAF.			
8A. SIGNATURE OF SOLE / FIRST BIDDER		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	
Date : .....		I/We authorize the SCSB to do all acts as are necessary to make the Application in the line 1) ..... 2) ..... 3) .....	
		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid on Stock Exchange system)	

XYZ LIMITED		Acknowledgement Slip for Broker/SCSB/DP/RTA		Bid cum Application Form No. ....	
INITIAL PUBLIC ISSUE - R					
DPID / CLID .....		PAN of Sole / First Bidder .....			
Amount paid (₹ in figures) .....		Bank & Branch .....		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No. ....					
Received from Mr./Ms. ....					
Telephone / Mobile .....		Email .....			

XYZ LIMITED - INITIAL PUBLIC ISSUE - R		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder			
Option 1    Option 2    Option 3 No. of Equity Shares Bid Price Amount Paid (₹) ASBA Bank A/c No. Bank & Branch				Acknowledgement Slip for Bidder			
		Bid cum Application Form No. ....					



## NR ASBA FORM

[illegible]

## FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

- a. Bidders 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:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the ASBA Form/ Application Form may be used to dispatch communications) 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 ASBA Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c. **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder 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 Bidder would be required in the ASBA Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the ASBA Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d. **Impersonation:** Attention of the Bidders 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 of the said Act.*

- e. **Nomination Facility to Bidder:** 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 Bidders should inform their respective DP.

### 4.1.1. FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST BIDDER

- a) PAN (of the sole/first Bidder) provided in the ASBA Form/Application Form should be exactly the same as the PAN of the person in whose sole or first 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 on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim (PAN Exempted Bidders). Consequently, all



Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the ASBA Form, irrespective of the Bid Amount. Bids by the Bidders 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 Bidders 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) ASBA Forms which provide the GIR Number instead of PAN may be rejected.
- e) Bids by Bidders 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.

#### 4.1.2. FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS

- a) Bidder should ensure that DP ID and the Client ID are correctly filled in the ASBA Form. The DP ID and Client ID provided in the ASBA Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the ASBA Form is liable to be rejected.**
- b) Bidder should ensure that the beneficiary account provided in the ASBA Form is active.
- c) Bidder should note that on the basis of DP ID and Client ID as provided in the ASBA Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the issue.
- d) Bidder 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 Bidders' sole risk.

#### 4.1.3. 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 DRHP 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 undertaken through the Book Building Process. 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.
- 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 Offer 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 Bid Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid 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 DRHP 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 Rs. 200,000.
- b) In case the Bid Amount exceeds Rs. 200,000 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 Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 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 Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/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/Offer 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 Rs. 200,000 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 Rs 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/Offer 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 Offer 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.

#### **4.1.4.2 Multiple Bids**

- a) Bidder should submit only one ASBA Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the ASBA Form and such options are not considered as multiple Bids. Submission of a second ASBA Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of ASBA 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:
  - i) 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.
  - ii) 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 ASBA 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:
  - i) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
  - ii) 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.
  - iii) 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.
  - iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **4.1.4. 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) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- c) 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 Bidder may refer to the DRHP.

#### **4.1.5. FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Bidder 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 Bidder, 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. Bidders are requested to refer to the Red Herring Prospectus for more details.
- c) Bidders 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 ASBA Form and Non-Resident ASBA Form.
- d) Bidders should ensure that their investor status is updated in the Depository records.

#### **4.1.6. FIELD 7: PAYMENT DETAILS**

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If discount is applicable in the Issue, the RII should indicate the full Bid Amount in the ASBA Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the DRHP 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 ASBA Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount issued, if any.
- b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- d) All Bidders can participate in the Issue only through the ASBA mechanism.
- e) Please note that, providing bank account details in the space provided in the ASBA Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **4.1.7.1 Payment instructions for Bidders**

- a) Bidders may submit the ASBA Form either
  - i) in electronic mode through the internet banking facility issued by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the ASBA Form, or
  - ii) in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the ASBA Form. The ASBA 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, will not be accepted.

- c) Bidders should ensure that the ASBA 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 ASBA Forms can be submitted.
- f) Bidders should submit the ASBA Form only at the Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the ASBA 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 ASBA 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 ASBA 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 accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed ASBA 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 ASBA 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.

#### **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 Bids 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, 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 ASBA 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.
- d) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

#### **4.1.7.2 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 issued in the Issue, Bidders may refer to the RHP/Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

#### **4.1.7.3 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Bidder is required to sign the ASBA Form. Bidders 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 Bidder, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the ASBA 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 ASBA Form.
- d) Bidders must note that ASBA Form without signature of Bidder 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 acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the ASBA Form.
- b) All communications in connection with Bid made in the Issue should be addressed as under:

- i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
- ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
- iii) Bidders may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- iv) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
- v) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
- vi) In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
- vii) In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- c) The following details (as applicable) should be quoted while making any queries -
  - i) Full name of the sole or First Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
  - ii) name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Red Herring Prospectus and the ASBA Form.

## **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise / withdraw their Bid till closure of the Bid/Issue period.
- c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:



## REVISION FORM - R

<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	BOOK BUILT ISSUE ISIN : .....
		Bid cum Application Form No. ....

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. .... Address ..... Email ..... Tel. No (with STD code) / Mobile ..... <b>2. PAN OF SOLE / FIRST BIDDER</b> ..... <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	

PLEASE CHANGE MY BID															
<b>4. FROM (AS PER LAST BID OR REVISION)</b>															
Bid Options:	No. of Equity Shares: Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)				Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)										
					Bid Price		Retail Discount		Net Price						
									"Cut-off" (Please tick)						
Option 1	8	7	6	5	4	3	2	1	3	2	1	3	2	1	<input type="checkbox"/>
(OR) Option 2															<input type="checkbox"/>
(OR) Option 3															<input type="checkbox"/>
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")</b>															
Bid Options:	No. of Equity Shares: Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)				Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)										
					Bid Price		Retail Discount		Net Price						
									"Cut-off" (Please tick)						
Option 1	8	7	6	5	4	3	2	1	3	2	1	3	2	1	<input type="checkbox"/>
(OR) Option 2															<input type="checkbox"/>
(OR) Option 3															<input type="checkbox"/>
<b>6. PAYMENT DETAILS</b>															
Additional Amount Paid (₹ in figures) .....										PAYMENT OPTION : <input type="checkbox"/> FULL PAYMENT <input type="checkbox"/> PART PAYMENT					
ASBA Bank A/c No. ....															
Bank Name & Branch .....															
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID 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>  Date : .....					<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the name: 1) ..... 2) ..... 3) .....					<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>					

LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No. ....
		PAN of Sole / First Bidder .....	
DPID / CLID .....			
Additional Amount Paid (₹) .....		Bank & Branch .....	
ASBA Bank A/c No. ....		Stamp & Signature of SCSB Branch	
Received from Mr./Ms. ....			
Telephone / Mobile .....			

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	TEAR HERE			TEAR HERE
	Option 1	Option 2	Option 3	
	Stamp & Signature of Broker / SCSB / DP / RTA			
	Name of Sole / First Bidder .....			
	Acknowledgement Slip for Bidder			
No. of Equity Shares ..... Bid Price ..... Additional Amount Paid (₹) ..... ASBA Bank A/c No. .... Bank & Branch .....			Bid cum Application Form No. ....	

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 BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders 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 number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her ASBA Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the ASBA Form and such Bidder is changing only one of the options in the Revision Form, the Bidder 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 Bidders in the same order as provided in the ASBA Form.
- C) In case of revision of Bids by RIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 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 RIs, 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 Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the RI 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 RI and the RI is deemed to have approved such revised Bid at Cut-off Price.
- E) In case of a downward revision in the Price Band, RIs 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 Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the ASBA Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount issued, if any.
- b) Bidder may Issue 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 Bidder 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 Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder 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 Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RILs, 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

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 SUBMISSION OF REVISION FORM/ ASBA FORM /APPLICATION FORM

##### 4.3.1 Bidders may submit completed ASBA form / Revision Form in the following manner:-

Mode of Bid	Submission of ASBA Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Red herring Prospectus/ ASBA Form

Application by the Anchor Investor shall be submitted to BRLM at the location specified in the Anchor Investor Application form.

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

#### SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

#### SECTION 6- 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.

##### 6.1 SUBMISSION OF BIDS

- During the Bid/Issue Period, Bidders 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.
- In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders 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 Bidders are requested to refer to the DRHP.

## **6.2 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.

## **6.3 BUILD UP OF THE BOOK**

- a) Bids received from various Bidders 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.

## **6.4 WITHDRAWAL OF BIDS**

- a) RIs can withdraw their Bids until Bid/Issue Closing Date. In case a RI 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 NIs can neither withdraw nor lower the size of their Bids at any stage.

## **6.5 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 ASBA 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 ASBA 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.

## **GROUND OF REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the ASBA Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five ASBA Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the ASBA Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;



- Signature of sole Bidder is missing;
- ASBA Forms not delivered by the Bidder within the time prescribed as per the ASBA Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the ASBA Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or –qualified institutional buyers as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the ASBA Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the ASBA Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the ASBA Form

For details of instructions in relation to the ASBA Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE ASBA FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE ASBA FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders 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 ASBA Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the DRHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over 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, Bidders may refer to the DRHP.
- 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 Rs.20 to Rs 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 (Rs.)	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., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 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.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. 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 Issue for Sale of specified securities). However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

### 7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the SME Exchange of NSE Emerge (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and



- b. The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to an Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in this DRHP.
- f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
  - i) As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii) The balance net issue of shares to the public shall be made available for allotment to
    - individual bidders other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii) The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

**'Retail Individual Investor'** means an investor who applies for shares of value of not more than Rs. 2,00,000/- . Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE- the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## 7.2. DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders 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 Bidders who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the 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 permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the DRHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this issue document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### 8.3 MODE OF REFUND

Within 6 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 Bids and also for any excess amount blocked on Bids.

#### 8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 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
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, issue / allotment of Equity Shares pursuant to the Issue to successful Applicants.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/ transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
ASBA Account	An account maintained with an SCSB and specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Surat and Ahmedabad

Term	Description
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public issue Account will be opened and in this case being Indusind Bank.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled <i>Issue Procedure</i> beginning on page 262 of this Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the ASBA Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and ASBA Form
Bid Amount	The highest value of optional Bids indicated in the ASBA Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the ASBA Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Financial Express, all edition of the Hindi national newspaper Jansatta, and all edition of the Regional newspaper Jansatta, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper Financial Express, all edition of the Hindi national newspaper Jansatta, and all edition of the Regional newspaper Jansatta, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
ASBA Form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the ASBA Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Issue
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of NSE.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred, after approval of Basis of Allotment by the Designated Stock Exchange.

Term	Description
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will 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, which shall be any price within the Price Band finalised by our Company in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the ASBA Forms used by Bidders/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 ASBA 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 ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time.
Designated Stock Exchange	The designated stock exchange as disclosed in the Red herring prospectus/ Prospectus of the issuer
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in

Term	Description
	accordance with the SEBI ICDR Regulations, 2009
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated March 07, 2018 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
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, Bidder/Applicant may refer to the DRHP.
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First/sole Bidder	Bidder whose name shall be mentioned in the ASBA Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
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, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further 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(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
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 DRHP/RHP/Prospectus and ASBA 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 DRHP/RHP/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 Bidders/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 Rs. 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 DRHP/RHP/Prospectus and the ASBA Form
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/Overseas Corporate	A company, partnership, society or other corporate body owned directly or



Term	Description
Body	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
Issue	Public issue of equity shares of the issuer
Other Investors	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 Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band for the Issue will be decided by our Company in consultation with the BRLM and the Minimum Bid Lot will be decided by our Company in consultation with the BRLM and will be advertised in all edition of Financial Express (a widely circulated English national newspaper) and all editions of Jansatta (a widely circulated Hindi national newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located), at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their website.
Pricing date	The date on which our Company in consultation with the BRLMs, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. Indusind Bank under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
RTGS	Real Time Gross Settlement
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being Indusind Bank.



Term	Description
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited
Reserved Category/ Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s)
Reservation Portion	The portion of the issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
RoC	Registrar of Companies, Delhi
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
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	Agreement dated 19 <sup>th</sup> April, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of ASBA Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Bhajee Portfolio Limited
Underwriter	Navigant Corporate Advisors Limited and Bhajee Portfolio Limited
Underwriting Agreement	The agreement dated 19 <sup>th</sup> April, 2018 entered into between the Underwriter and our Company
Working Day	—Working DayI means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Issue Period, —Working DayII shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, —Working DayI shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays

## 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. 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 (DIPPI), issued Consolidated FDI Policy Circular of 2015 ("FDI Policy 2015"), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force and effect as on May 11, 2015. However, press note 4 of (2015 Series), dated April 24, 2015, regarding policy on foreign investment in pension sector, will remain effective. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2015 will be valid until the DIPP issues an updated circular. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S, except pursuant to exemption from, or in a transaction not subject to the registration requirements of US Securities Laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction, The above information is given for the benefit of the Applicants.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Application is not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION VIII

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

#### Interpretation

I. (1) In these regulations—

“The Act” means the Companies Act, 2013.

“The seal” means the common seal of the company.

The Company” or “this Company” means Sirca Paints India Limited

“Annual General Meeting” means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof.

“Auditors” means and include those persons appointed as such for the time being by the Company or its Board,

“Board” or ‘Board of Directors’ or ‘the Board’ means the Board of Directors for the time being of the Company.

“Board Meeting” means meeting of the Directors or a committee thereof duly called and constituted, or as the case may be, the Directors assembled at the Meeting of the Board of Directors of the Company collectively.

“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

“Debenture” includes debenture-stock.

“Dividend” includes interim dividend.

“Extraordinary General Meeting”, means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.

“Member” means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company.

“Meeting” or “General Meeting” means a meeting of members.

“Month” means a calendar month.

“Office” means the registered office for the time being of the Company.

A resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a poll as the case may be) in favour of the resolution (including the casting vote, if any, of the chairman) by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting.

“Paid-up” includes credited as paid-up.

“Persons” includes corporations and firms as well as individuals.

“Postal Ballot” shall mean voting by post through ballot papers distributed amongst eligible voters and shall include voting by electronic mode.

“Register of Members” means the Register of Members to be kept pursuant to the Act.

“Registrar” means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.

“Secretary” means any individual possessing the qualification prescribed for the time being by or under the Act or any rules made thereunder and appointed to perform the duties, which may be performed by Secretary under the Act, and any other ministerial or administrative duties.

“Share” means share in the share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

“Small Shareholder” means a shareholder holding shares of the nominal value of twenty thousand rupees or such other sum as may be prescribed.

A resolution shall be a special resolution when:-

- (a) the intention to propose the resolution as a special resolution has been duly specified in the notice convening the general meeting or other, intimation given to the members of the resolution.
- (b) the notice required under the Act has been duly given, and
- (c) the votes cast in favour of the resolution whether on a show of hands, or on a poll as the case may be by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, are not less than’ three times the number of the votes, if any, cast against the resolution by members so entitled, and voting.

“Written” and “In Writing” include printing, lithography, computer modes and other modes of representing or reproducing words in a visible form.

“Year” means the calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

Words importing the singular number include, where the context admits or requires the plural number and vice versa. Words importing the masculine gender also include the feminine gender,

(2) The marginal notes used in these Articles shall not affect the construction or meaning of the subject.

(3) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### ***Share capital and variation of rights***

- II. 1. 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.

2. (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.
3. (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 provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (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.
6. 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.
7. 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.

#### ***Underwriting And Brokerage***

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 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.

(iii) The rate or amount of the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

### ***Lien***

9. (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.

10. 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.
11. (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.
12. (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***

13. (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. The Option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting:

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.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (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.
17. (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.
18. 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 in respect thereof confer a right to dividend or to participate in profits.

### *Transfer of shares*

19. (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) A common form of for instruments of transfer which may from time to time be altered by the Directors  
(iii) 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.  
(iv) The Board shall not refuse the registration of transfer on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
20. 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.
21. 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.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

23. a) No fee shall be charged for:
- i. Registration of transfer of the Company's shares, debentures and Detachable warrants;
  - ii. Sub-division and consolidation of share certificates, debenture certificates and detachable warrants and for sub-division of letters of allotment and split, consideration, renewal and pucca transfer receipts into denomination corresponding to the market units of trading;
  - iii sub-division of renounceable letters of right;
  - iv issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized;
  - v registration of any power of attorney, probate, letters of administration or similar other documents.
    - a) Fees as agreed upon with the Stock Exchanges will be charged for :
      - i. issue of new certificate in replacement of those that are torn, defaced, lost or destroyed;
      - ii sub-division and consolidation of shares and debenture certificates and for sub-division of letters of allotment and split, consolidation renewal and pucca transfer receipts into denominations other than those fixed for the market unit of trading.

#### *Transmission of shares*

24. (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.
25. (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.
26. (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.
27. 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***

28. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
29. 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.
30. 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.
31. (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.
32. (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.
33. (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.
34. 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***

35. 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.

36. 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.

37. 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.

38. 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***

39. (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.

40. (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.

#### ***Buy-back of shares***

- 41. 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***

- 42. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 43. (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***

- 44. (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.
- 45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- 46. 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.
- 47. 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***

48. (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***

49. 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.
50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
51. 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.  
For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
52. 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.
53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
54. 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.
55. (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***

56. 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.
57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

58. 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***

59. The Person named hereinafter are the first Director.

1. Mr. Sanjay Agarwal
2. Mr. Apoorve Agarwal
3. Mr. Gurjit Singh Bains

The number of Directors of the Company shall not be less than three and not more than fifteen.

60. (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.
61. The Board may pay all expenses incurred in getting up and registering the company.
62. 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.
63. 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.
64. 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.
65. (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***

66. (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.

67. (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.
68. 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.
69. (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.
70. (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.  
(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.
71. (i) A committee may elect a Chairperson of its meetings.  
(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 members present may choose one of their members to be Chairperson of the meeting.
72. (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.
73. 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.
74. 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.
75. In case of a One Person Company—  
(i) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;  
(ii) such minutes book shall be signed and dated by the director;  
(iii) the resolution shall become effective from the date of signing such minutes by the director.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

76. 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.

77. 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***

78. (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***

79. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
80. 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.
81. (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, think 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.
82. (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.
83. 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.
84. (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.
85. 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.
86. 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.
87. No dividend shall bear interest against the company.
88. The Company shall not forfeit any unpaid or unclaimed dividend and such dividends shall be dealt with according to the provisions of the Companies Act, 2013..

#### ***Accounts***

89. (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.

#### ***Dematerialisation Of Securities***

90. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.
- For the purpose of this Article:

“Beneficial Owner” means a person or persons whose name is recorded as such with a depository,  
“SEBI” means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and  
“Depository” means a company formed and registered under the Companies Act, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act, 1996.

2. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

3. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

5.(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company.

6. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

7. Nothing contained in Section 108 of the Act 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.

8. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

#### ***Audit***

91. Auditors shall be appointed and their rights and duties regulated in accordance with Sections 139 to 147 of the Act.

The First Auditor or Auditors of the Company shall be appointed by the Board within 30 days of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the Sixth Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place by Special Resolution.

#### ***Copies Of Memorandum And Articles To Be Sent To Members***

92. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Board to every Member at his request within 7 days of the request on payment of prescribed fees for each copy.

93

#### ***Documents And Notices***

(1) A document or notice may be served on a Company or any officer thereof by sending it to the Company or the Officer at the registered office of the Company sending it by registered post or by speed post or by courier service, or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed.

(2) A Document may be Served upon the Registrar or any member by sending it to his office or address by post or registered post or speed post or courier service or by delivering at his office or address or by means of such electronic or other mode as may be prescribed. Provided that a member may request for delivery of any

documents through a particular mode Now the Documents will have to be sent to a member to his address, in India or abroad.

(3) Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) All the members, legal Representative of any deceased member or assignee of the insolvent member (b) Auditors and (c) the Directors of the Company, in writing or through Electronic mode.

(4) Any document or notice to be served or given by the Company may be signed by the Directors, Key Managerial Personnel or an Officer of the Company duly Authorised by the Board of Directors in this behalf and the signatures thereto may be written, printed or lithographed.

### ***Borrowing Powers***

94. The Board may, from time to time, at its discretion subject to the provisions of Section 179 of the Act, raise or borrow, and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.
95. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

### ***Winding up***

96. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### ***Secrecy***

97. Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Company to communicate.

### ***Indemnity***

98. 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 IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 504, NDM 2, Netaji Subhash Place Wazirpur, Pitampura, Delhi-110034 from date of filing the Red Herring Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### Material Contracts

1. Agreement dated 6<sup>th</sup> March, 2018 between our Company and the BRLM.
2. Agreement dated 6<sup>th</sup> March, 2018 between our Company and Karvy Computershare Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated 19<sup>th</sup> April, 2018 between our Company and Underwriter viz. BRLM.
4. Market Making Agreement dated 19<sup>th</sup> April, 2018 between our Company, Market Maker and the Lead Manager.
5. Agreement dated 9<sup>th</sup> April, 2018 amongst our Company, the BRLM, Public Issue Bank and the Registrar to the Issue.
6. Syndicate Agreement dated 19<sup>th</sup> April, 2018 between our Company, the BRLM and the Syndicat Members.
7. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated 6<sup>th</sup> April, 2018.
8. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated 23<sup>rd</sup> March, 2018.

#### Material Documents

- 1) Memorandum and Articles of Association of our Company as amended from time to time.
- 2) Copy of the resolution passed at the meeting of the Board of Directors held on 24<sup>th</sup> February, 2018 approving the issue.
- 3) Copy of the resolution passed by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 3<sup>rd</sup> March, 2018.
- 4) Copies of Annual Reports of our Company for the Five (5) Financial years immediately preceding the date of this Red Herring Prospectus i.e. for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 and Audited Financials for the period ended 31<sup>st</sup> December, 2017.
- 5) Copy of resolution dated 14<sup>th</sup> November, 2017 appointing Mr. Sanjay Agarwal and Mr. Apoorv Agarwal as the Managing Director and Joint Managing Director for a period of Five (5) years w.e.f. 14<sup>th</sup> November, 2017 and approving their remuneration and terms.
- 6) Consents of the Directors, Company Secretary/Compliance Officer, Chief Financial Officer, Statutory / Peer Review Auditors, Lead Manager to the Issue, Underwriters, Market Makers, Bankers to the Issue,

Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Red herring Prospectus to act their respective capacities.

- 7) Audit report and restated financial information issued by Peer Review Auditors i.e. M/s. Ramanand & Associates, Chartered Accountants, dated 17<sup>th</sup> March, 2018 included in the Red Herring Prospectus.
- 8) Letter dated 6<sup>th</sup> March, 2018 from the statutory Auditors of our Company, M/s Rajesh Kukreja & Associates, Chartered Accountants, detailing the tax benefits.
- 9) Copy of certificate from the statutory Auditors of our Company, M/s Rajesh Kukreja & Associates, Chartered Accountants, dated 23<sup>rd</sup> April, 2018, regarding the sources and deployment of funds as on 31<sup>st</sup> March, 2018.
- 10) Board Resolution dated 25<sup>th</sup> April, 2018 for approval of Red Herring Prospectus.
- 11) Due Diligence Certificate dated 25<sup>th</sup> April, 2018 to be submitted to SEBI from Lead Manager viz. Navigant Corporate Advisors Limited along with the filing of the Prospectus.
- 12) Copy of approval from NSE vide letter dated 6<sup>th</sup> April, 2018 to use the name of NSE in this offer document for listing of Equity Shares NSE EMERGE.
- 13) Copy of Power of Attorney dated 21<sup>st</sup> April, 2018 by Mr. Gurjit Singh Bains in favour of Mr. Sanjay Agarwal to sign the Red Herring Prospectus/Prospectus.

None of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

Signed by all the Directors of Our Company

Name and Designation	Signature
Mr. Sanjay Agarwal Managing Director DIN: 01302479	Sd/-
Mr. Apoorv Agarwal Joint Managing Director DIN: 01302537	Sd/-
*Mr. Gurjit Singh Bains Non Executive and Non Independent Director DIN: 01977032	Sd/-
Mr. Sanjay Kapoor Independent Director DIN: 00383275	Sd/-
Mrs. Archana Agarwal Independent Director DIN: 08038188	Sd/-

\*Signed through his constituted power of attorney holder Mr. Sanjay Agarwal.

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

Sd/-

Mr. Bharat Bhushan Arora  
Chief Financial Officer

Sd/-

Mr. Chahat Mahajan  
Company Secretary and  
Compliance Officer

Place: New Delhi  
Date: 25/04/2018



**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY NAVIGANT CORPORATE ADVISORS LIMITED**

**TABLE:1**

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Prabhat Telecoms (India) Limited	11.22	51.00	03-08-2016	61.20	+43.14% (+3.01%)	+47.06% (+0.65%)	+54.90% (+0.55%)
2	KMS Medisurgi Limited	2.70	30.00	24-04-2017	30.00	+0% (+2.18%)	+2.17% (+8.00%)	+0.33% (+9.22%)
3	Pure Giftcarat Limited	7.45	13.00	08-05-2017	10.80	+0.77% (+4.49%)	+0% (+8.02%)	+8.85% (+12.56%)
4	Jalan Transolutions (India) Limited	17.71	46.00	31-05-2017	41.50	-21.74% (-0.72%)	-27.07% (+0.78%)	-12.28% (+8.28%)
5	G G Engineering Limited	2.23	20.00	17-07-2017	21.00	+9.50% (-0.87%)	+119.75% (+1.12%)	+155.00% (+7.85%)
6	Keerti Knowledge & Skills Limited	4.05	52.00	07-08-2017	51.05	-9.02% (-1.90%)	-27.12% (+4.37%)	+1.92% (+8.65%)
7	Ashok Masala Mart Limited	2.01	10.00	22-08-2017	12.00	-19.40% (+3.45%)	-6.50% (+7.65%)	-7.50% (+8.69%)
8	Manav Infra Projects Limited	5.51	30.00	18-09-2017	32.00	-32.50% (+0.50%)	-40.83% (+3.21%)	-48.33% (+3.89%)
9	Ajooni Biotech Limited	6.59	30.00	02-01-2018	36.00	+51.33% (+6.19%)	+3.33% (-1.65%)	N.A.
10	Seeds and Chemicals Limited	4.21	26.00	04-04-2018	27.30	N.A.	N.A.	N.A.
11	Power and Instrumentatio n (Gujarat) Limited	6.15	33.00	23.04.2018	35.00	N.A.	N.A.	N.A.

*Note: The 30th, 90th, and 180th calendar days has been taken as listing date plus 29, 89, 179 calendar days respectively. Where the 30<sup>th</sup> day / 90<sup>th</sup> day / 180<sup>th</sup> day falls on BSE / NSE Trading holiday or falls on day when there is no trade in equity share of the respective company, preceding trading day has been considered. BSE SENSEX has been considered as the benchmark index. We have taken the Issue Price to calculate the % of change in closing price as on 30th, 90th, and 180th calendar day.*

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE OF PAST ISSUED HANDELED BY NAVIGANT CORPORATE ADVISORS LIMITED**

Financial Year	Total No. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25- 50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25- 50%	Less than 25%
2018-2019	1	6.15	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2017-2018	9	52.46	0	1	3	1	0	3	N.A.	1	2	1	N.A.	3
2016-2017	1	11.22	0	0	0	0	1	0	0	0	0	1	0	0