DRAFT RED HERRING PROSPECTUS
Dated: September 21, 2018
Please read section 32 of the Companies Act, 2013
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Book Built Issue

ZIRCON TECHNOLOGIES (INDIA) LIMITED

Zircon Technologies (India) Limited (our "**Company**" or the "**Company**" or the "**Issuer**") was incorporated as '*Zircon Pharma Impex Private Limited*' on February 16, 1999 at Delhi as a private limited company, under the Companies Act, 1956 with a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"). Pursuant to a special resolution passed by our shareholders dated January 3, 2003, the name of our Company was changed to "*Zircon Technologies Private Limited*' and a fresh certificate of incorporation was issued by the RoC on January 23, 2003. Subsequently, pursuant to a special resolution passed by our Shareholders dated March 31, 2008, our Company was converted into a public limited company and the name of our Company was changed to '*Zircon Technologies Limited*' and a fresh certificate of incorporation was issued by the RoC on May 27, 2008. Thereafter, pursuant to a special resolution passed by our shareholders dated June 5, 2008, the name of our Company was changed to '*Zircon Technologies (India) Limited*' and a fresh certificate of incorporation was issued by the RoC on July 15, 2008. For further details, including details of change in registered office of our Company, see "*History and Certain Corporate Matters*" on page 144.

Registered Office: No. 2B-1226, GD Colony, Mayur Vihar, Phase – III, New Delhi – 110 096; Delhi, India. **Telephone:** +91 11 2262 5772; **Fax**: Not available
Corporate Office: Khasra No. 1017, 1019, 1021, Camp Road (Behind Selaqui Hotel), Selaqui, Dehradun -248 197, Uttarakhand, India; **Telephone:** +91 13 5269 8156; **Fax**: +91 13 5269 8330
Contact Person: Akansha Sharma, Company Secretary and Compliance Officer, **Telephone**: +91 13 5269 8156; **Fax**: +91 13 5269 8330
E-mail: cs@zircontech.com; **Website:** www.zircontech.com; **Corporate Identity Number:** U51397DL1999PLC098428

OUR PROMOTER: SANJEEV SONDHI

INITIAL PUBLIC OFFERING OF UP TO 5,900,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING TO ₹ [●] MILLION ("ISSUE"). THE ISSUE SHALL CONSTITUTE UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM"), AND WILL BE ADVERTISED IN ALL EDITIONS OF ENGLISH NATIONAL NEWSPAPER [●] AND ALL EDITIONS OF HINDI NATIONAL NEWSPAPER [●], (HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

The Issue is being made in terms of Rule 19(2)(b) Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 41 of the SEBI ICDR Regulations. This Issue is being made through the Book Building Process in accordance with Regulation 26(2) of the SEBI ICDR Regulations", wherein at least 75% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), 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 ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 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 shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Issue cannot be Allotted to QIBs, all the application monies will be refunded/ unblocked forthwith. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Issue through an Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA Process. For details, see "*Issue Procedure*" on page 355.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and 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 BRLM as stated under "*Basis for Issue Price*" on page 96) 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 the 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 in the Issue have not been recommended or approved by Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 17.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft 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 Draft 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 issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 424.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
SYSTEMATIX CORPORATE SERVICES LIMITED The Capital, A Wing, 603-606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India. **Telephone:** +91 22 6704 8000 **Fax:** +91 22 6704 8022 **E-mail:** zircon@systematixgroup.in **Website:** www.systematixgroup.in **Investor grievance email:** zircon@systematixgroup.in **Contact Person:** Amit Kumar **SEBI Registration No.:** INM000004224	**LINK INTIME INDIA PRIVATE LIMITED** C 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 Maharashtra, India. **Telephone:** +91 22 4918 6200 **Fax:** +91 22 4918 6195 **Email:** zircon.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Investor grievance email:** zircon.ipo@linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/ ISSUE PERIOD*

BID/ ISSUE OPENS ON:	[●][(1)]	BID/ISSUE CLOSES ON:	[●][(2)]

(1) Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be on Working Day prior to the Bid/ Issue Opening Date;
(2) Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs, one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Listing Regulations, the Depositories Act or the rules and regulations made there under. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

Provided that terms used in the sections "General Information Document for Investing in Public Issues", "Industry Overview", "Summary of Industry", "Financial Information", "Statement of Tax Benefits", "Outstanding Litigation and Material Developments" "Key Regulations and Policies" and "Issue Procedure – Part B" and "Main Provisions of the Articles of Association" shall, unless indicated otherwise on pages 367, 103, 42, 178, 100, 326, 138, 367 and 403 respectively, will have the meanings ascribed to such terms in the respective sections.

Unless the context otherwise indicates, all references to "Zircon", "Zircon Technologies (India) Limited", "the Company", "our Company", "the Issuer", "we", "us" and "our" are references to Zircon Technologies (India) Limited, and references to "you", "your" or "yours" refer to prospective investors in this Issue.

Company Related Terms

Term	Description
Articles of Association/ AoA	Articles of association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company's Audit Committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.
Auditors/ Statutory Auditors	The statutory auditors of our Company, Singhi & Co., Chartered Accountants.
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof.
Compliance Officer	Akansha Sharma, our company secretary who has been appointed as the compliance officer of our Company.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Group Company	Company which is covered under the applicable accounting standards and considered material by our Board. For details, see "*Our Group Company*" on page 173.
IPO Committee	The committee constituted by our Board for the Issue, as described in "*Our Management"* on page 154.
Key Managerial Personnel/ KMP	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection "*Our Management – Our Key Managerial Personnel*" on page 167.
Memorandum of Association/ MoA	Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as our Company's Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.
Promoter	The promoter of our Company, Sanjeev Sondhi.
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details of our Company's Promoter Group, see "*Our Promoter and Promoter Group*" on page 170.

Term	Description
Registered Office	The registered office of our Company, situated at No. 2B-1226, GD Colony, Mayur Vihar, Phase – III, New Delhi – 110096, Delhi, India.
Registrar of Companies/ RoC	Registrar of Companies, NCT of Delhi & Haryana, at 4th Floor, IFCI Tower, 61 Nehru Place, New Delhi – 110019, Delhi, India.
Restated Consolidated Financial Statements	Restated consolidated financial statements of our Company as at and for the Fiscals 2018 and 2017 prepared in accordance with Ind AS and examined by the Statutory Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations.
Restated Financial Statements	Collectively, the Restated Consolidated Financial Information and the Restated Standalone Financial Information.
Restated Standalone Financial Statements	Restated standalone financial statements of our Company as at and for the Fiscals 2018, 2017, 2016, 2015 and 2014 prepared in accordance with Ind AS and examined by the Statutory Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations.
Shareholders	Shareholders of our Company, from time to time.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations.

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid Cum Application Form.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the 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 or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with minimum Bid of ₹ 100 million, in accordance with the SEBI ICDR Regulations.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the prospectus, which will be decided by our Company in consultation with the BRLM.
Anchor Investor Bid / Issue Period / Anchor Investor Bidding Date	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any bids from Anchor investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Portion	Up to 60% of the QIB Portion, consisting of [●] Equity Shares, which may be allocated by our Company in consultation with the BRLM, 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.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account.

Term	Description
ASBA Account	A bank 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 Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
ASBA Bidder	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "*Issue Procedure - Allotment Procedure and Basis of Allotment*" on page 391.
Bid(s)	An indication to make an offer during the Bid/Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid / Issue Period by the Anchor Investors, to subscribe 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 terms of the Red Herring Prospectus and Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder/blocked in the ASBA Account on submission of a bid in the Issue.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Lot	[●] Equity Shares.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which will be advertised in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), each with wide circulation, in case of any revision, the extended Bid/ Issue Closing Date in consonance with the SEBI ICDR Regulations. Our Company, in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting ASBA Bids for the Issue, which will be advertised in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), each with wide circulation and in case of any revision, the extended Bid/ Issue Opening Date in consonance with the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective investors can submit their Bids, including any revisions thereof.
Book Building Process	The book building process, as provided in Schedule XI of the SEBI ICDR Regulations and as amended from time to time, in terms of which the Issue is being made.
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders can submit the

Term	Description
	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 websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com).
BRLM/ Book Running Lead Manager	The book running lead manager to the Issue, being Systematix Corporate Services Limited.
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Issue Period.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted.
Collecting Depository Participant(s)/ CDP(s)	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. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in.
Cut-off Price	The Issue Price, finalised by our Company in consultation with BRLM, which shall be any price within the Price Band. 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.
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/ husband, investor status, occupation and bank account details.
Designated CDP Locations	Such locations of the CDPs where ASBA 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 respective websites of the Stock Exchanges. (www.bseindia.com and www.nseindia.com).
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account or the Refund Account, as appropriate in terms of the Red Herring Prospectus and the Prospectus, and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries	Syndicate, sub-syndicate, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges. (www.bseindia.com and www.nseindia.com).
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated September 21, 2018 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
Eligible NRI(s)	NRIs from jurisdictions outside India where it is not unlawful to make an offer or

Term	Description
	invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares.
Escrow Account(s)	Account(s) opened for the Issue with the Escrow Collection Bank and in whose favour the transfer money through direct credit/NACH/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Agent	[●]
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchanges in relation to our Equity Shares.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form in case of a joint Bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
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.
General Information Document/ GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circulars (CIR/CFD/POLICYCELL/III/2015) dated November 10, 2015, the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI and included in "*Issue Procedure*" on page 355.
Issue	Public issue of up to 5,900,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million.
Issue Agreement	The agreement dated September 19, 2018 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price within the Price Band at which Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price 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. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue price applicable to investors other than Anchor Investors.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see "*Objects of the Issue*" on page 85.
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see "*Objects of the Issue*" on page 85.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not more than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Price Band	Price Band of a minimum price of [●] per Equity Share (Floor Price) and the maximum price of [●] per Equity Share (Cap Price), including any revisions

Term	Description
	thereof. The Price Band will be decided by our Company in consultation with the BRLM and will be advertised in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), each with wide circulation, at least five (5) Working Days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which our Company in consultation with BRLM will finalise the Issue Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, *inter alia*, the Issue Price that is determined through the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	Account opened with the Public Issue Bank to receive monies from the Escrow Account(s) and to which the funds shall be transferred by the SCSBs from the ASBA Accounts of the successful Allottees, on or after the Designated Date.
Public Issue Bank	Bank with whom the Public Issue Account for collection of bidding amount from Escrow Account(s) and ASBA Accounts of the successful Allottees will be opened.
QIB Portion	The portion of the Issue, being at least 75% of the Issue, which shall be Allotted to QIBs.
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Red Herring Prospectus/ 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, and includes any addenda and corrigenda thereto.
Refund Account(s)	The account opened with the Refund Bank to which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Banker	[●]
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS or NEFT, as applicable.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
Registrar Agreement	The agreement dated September 17, 2018 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Issue/ Registrar	Registrar to the Issue, in this case being, Link Intime India Private Limited.
Retail Individual Bidders(s)	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs).
Retail Portion	The portion of the Issue being not more than 10% of the Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations.
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) before closure of the Issue.

Term	Description
	Kindly note that QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bid (in terms of quality of Equity Shares or the Bid Amount) at any stage, once submitted. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw the Bids until the Bid/Issue Closing Date.
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available in Recognised Intermediaries on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other website as may be prescribed by SEBI from, time to time.
Specified Locations	Bidding centres where the members of Syndicate shall accept ASBA Forms from Bidders.
Stock Exchanges	BSE and NSE.
Syndicate Agreement	The agreement dated [●] entered into amongst the BRLM, the Syndicate Members, the Registrar to the Issue and our Company in relation to the collection of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, namely, [●], [●] and [●].
Syndicate/ members of the Syndicate	BRLM and the Syndicate Members.
Systemically Important Non-Banking Financial Companies/ NBFC-SI	A non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹ 5,000 million as per its last audited financial statements.
TRS/ Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
Underwriters	[●]
Underwriting Agreements	The agreement between our Company and the Underwriters, to be entered into on or after the Pricing Date.
Working Days	"Working Day", with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category II FPIs	FPIs registered as category II FPIs under the SEBI FPI Regulations
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Client ID	Client identification number maintained with one of the Depositories in relation to the DEMAT account
CLRA	Contract Labour (Regulation and Abolition) Act, 1970

Term	Description
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013, as applicable
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate social responsibility
Depository(ies)	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's identity number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary general meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ERP	Enterprise Resource Planning
ESI Act	Employees' State Insurance Act, 1948
Euro/ EUR/ €	Euro, the official currency of Euro Member Countries
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/ Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act/ IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian

Term	Description
	Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
INR/ ₹ / Rs./ Indian Rupees	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offering
IT	Information Technology
MAT	Minimum Alternate Tax
MCA	The Ministry of Corporate Affairs, GoI
MICR	Magnetic ink character recognition
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A./ NA	Not Applicable
NACH	National Automated Clearing House, a consolidated system of ECS
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
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 and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified Purchaser
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RoNW	Return on net worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Ind AS Circular	The SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Term	Description
Securities Act	The United States Securities Act of 1933, as amended
STT	Securities Transaction Tax
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
Year/ Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

Industry Related Terms

Term	Description
AE	Advance Estimate
BOPP	Bi-Axially Oriented Polypropylene
CAGR	Compounded annual growth rate
CRISIL	CRISIL Limited
CRISIL Report	Report titled “Assessment of the label printing industry in India” dated June, 2018 by CRISIL
CSO	Central Statistical Organization
FMCG	Fast-Moving Consumer Goods
F&B	Food and Beverage
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value-Added
HDPE	High-Density Polyethylene
HNGIL	Hindustan National Glass
IMF	International Monetary Fund
IMFL	Indian-Made Foreign Liquor
PET	Polyethylene Terephthalate
PP	Polypropylene
OVI	Optically Variable Ink
OVD	Optically Variable Devices
RE	Revised Estimates
RFID	Radio frequency Identity
ROCE	Return on Capital Employed
TBS	Twin Balance Sheet
USP	Unique Selling Point

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards (the "**Ind AS**") notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the SEBI ICDR Regulations and the guidance notes issued by ICAI and included elsewhere in this Draft Red Herring Prospectus .

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounded off adjustments. All decimals have been rounded off to two decimal points. Therefore, 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 Draft Red Herring Prospectus may be rounded-off to such number of decimal points as provided in such respective sources.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, the Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in *"Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 17, 123 and 292 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to:
- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States; and
- "EUR" or "€" are to Euro, the official currency of Euro Member Countries.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000. All the numbers in the document have been presented in million or in whole numbers where the numbers have been too small to present in million.

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the US$ (in Rupees per US$) and the Indian Rupee and the Euro (in Rupees per EUR):

Currency#	**Exchange rate as on**				
	March 31, 2018 (2)	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014(1)**
US$	65.04	64.84	66.33	62.59	60.10
EUR	80.62	69.25	75.10	67.51	82.58

#*Source: RBI reference rate www.rbi.org.in*

(1) *Exchange rate as on March 28, 2014, as RBI reference rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.*

(2) *Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 29, March 30 on account of public holiday and March 31, 2018 being Saturday respectively.*

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Assessment of the label printing industry in India*" dated June, 2018 prepared by CRISIL Research ("**CRISIL Report**"). The CRISIL Report has been prepared at the request of our Company. In relation to the CRISIL Report, please see below the disclaimer specified in their consent letter dated September 11, 2018 issued to our Company:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company / entity covered in the Report and no part of this report should be construed as an investment advice. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval.*"

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risk, uncertainties and assumptions, and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 17.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, see "*Basis for Issue Price*" on page 96 includes information relating to our peer group company. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our business and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that would cause actual results to differ materially include, including, but not limited to:

- Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner.
- Any imitation of our brand security solutions, or any reproduction of likenesses of our prints;
- The loss of certain key customers on whom we are dependent for our revenue;
- Any breaches of data security or disruptions of our information technology systems;
- Our inability to procure adequate amounts of raw material at competitive prices;
- Our inability to attract and retain skilled personnel; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

For further discussion on factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 123 and 292, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter, the BRLM, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the BRLM will ensure that the investors in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. In making an investment decision, prospective investors must rely on their own examinations of us on a consolidated basis and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. For further information, see "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 123 and 292, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see "Forward Looking Statements" on page 15.

Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "Financial Information" on page 178.

Unless the context otherwise requires, in this section, references to "we", "us", or "our" refers to Zircon Technologies (India) Limited on a consolidated basis and references to "the Company" or "our Company" refers to Zircon Technologies (India) Limited on a standalone basis.

*Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources and the report titled "Assessment of the label printing industry in India" dated June, 2018 issued by CRISIL Limited (the "**CRISIL Report**"). Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

1. ***Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner may result in the decline of the demand for our products, which may have an adverse impact on our business, results of operations and prospects.***

One of the factors on which our results of operations are dependent is our ability to anticipate and keep pace with rapid and continuing changes in technology, industry standards and respond to changes in customer preferences and design new solutions or modify our existing solutions in line with changes in customer demands and preferences. If we are unable to anticipate, gauge and respond to changing customer preferences or if we are unable to adapt to such changes by modifying our existing solutions or launching new solutions on a timely basis, we may fail to attract customers and our inventory may become obsolete. Additionally, we incur expenses in the design and development of our labels and we cannot assure you that our current portfolio of designs and any products we introduce, will be well received by our customers, or that we will be able to recover the expenditure we incurred in designing and developing such products. If the labels that we introduce are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected.

Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, we cannot assure you that we will be able to develop or secure the necessary technological knowledge or capability that will allow us to develop our product portfolio in this manner. Moreover, we cannot assure you that we will be able to achieve the technological advancements that may be necessary for us to remain competitive or that certain of our products will not become obsolete. Any one of these circumstances could have a material adverse effect on our ability to obtain and successfully complete important customer engagements.

2. ***Our business is dependent on the sale of our products to certain key customers. The loss of such customers, a significant reduction in purchases by such customers, or a lack of commercial success of a particular product of which we are a major supplier could materially adversely affect our business, results of operations and financial condition.***

We are dependent on certain key customers, particularly in the FMCG, wine and liquor, automobile and brand security sectors. Our top five customers accounted for 54.32%, 48.07%, 54.47%, 49.77% and 47.78% of our revenues from Sale of Products (Net of Excise Duties) on a consolidated basis for Fiscals 2018, 2017, 2016, 2015 and 2014. As we are dependent on certain key customers for a significant portion of our sales, the loss for any of the foregoing reasons of any one of our key customers, if not replaced, may materially adversely affect our business, results of operations and financial condition. There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers.

Reliance on a limited number of customers for our business may generally involve several risks. As we are dependent on certain key customers, the loss of such customers including as a result of a dispute with or disqualification by them may materially affect our business and results of operations. The volume of sales to our customers may vary due to our customers' attempts to manage their inventory, design changes and changes in our customers' manufacturing strategy, which may result in a decrease in demand or lack of commercial success of a particular product, of which we are a major supplier. Further, we do not generally have firm commitment or long-term purchase agreements with many of our key customers and instead rely on purchase orders issued by our customers from time to time.

Our purchase orders from many of our customers generally provide for the supply of their requirements for products and the discontinuation of, loss of business with respect to, or lack of commercial success of, those particular products of which we are a major supplier of components could reduce our sales and materially adversely affect our business, results of operations and financial condition. Further, the purchase orders may get amended or cancelled prior to finalization, and in such event, an amendment or cancellation may take place, and we may be unable to seek compensation for any surplus products that we produce. Consequently, there is no commitment on the part of the customer to continue to place new purchase orders with us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss.

3. ***We are subject to strict quality requirements and customer inspections, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.***

We specialize in manufacturing labels and printing materials primarily catering to FMCG, wine and Liquor, and industrial products sectors. We also manufacture complex and specialised security solutions on technical specifications and designs stipulated by our customers. Given the nature of our products and the sector in which we operate, we believe that our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in labels manufactured by our Company or failure to comply with the design specifications of our customers may, in turn, lead to the manufacture of faulty products by our major customer groups. This may lead to cancellation of supply orders by our customers and at certain instances may impose additional costs.

While we have put in place quality control procedures, we cannot assure you that our products will always be able to satisfy our customers' quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications of the components. Any such failure to identify defects could require us to undertake service actions or product recalls. Any defect in our Company's products could also result in customer claims for damages. Any negative publicity regarding our Company, or our products could adversely affect our reputation, our operations and our results from operations.

Further, our customers generally have the right to inspect our facilities, processes and products after reasonable notice to ensure that our services are meeting their internal standards. Most of our customers routinely inspect and audit our facilities. If we fail to perform our services in accordance with best practices stipulated by our customers and/or our customers are dissatisfied with the quality of our facilities in any manner, our reputation could be harmed and our customers may terminate/modify their contractual arrangements and/ or cancel the purchase orders. This may have an adverse impact on our business, financial condition, results of operations and future prospects.

4. *Our inability to implement our business strategy or effectively sustain and manage our growth could have an adverse effect on our business, results of operations and financial condition.*

We have experienced significant growth over the last few years as we have expanded our operations and product portfolio. From Fiscal 2014 to Fiscal 2018, as per the Restated Standalone Financial Statements, (i) our EBITDA increased from ₹ 60.70 million to ₹ 162.23 million, representing a CAGR of 27.86%; (ii) our profit after tax increased from ₹ (15.58) million to ₹ 67.58 million, representing a CAGR of 44.32%. We cannot assure you that our growth strategies will be successful or that we will be able to continue to expand further or diversify our product portfolio.

Our inability to manage our expansion of our product portfolio effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations or track the changing preferences of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion of our product portfolio to pursue existing and potential market opportunities. Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to introduce and innovate new products and maintain the quality of our products, general political and economic conditions in the geographies in which we operate, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates. In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to select and retain key managerial personnel, maintaining effective risk management policies and training managerial personnel to address emerging challenges. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support our future operations, establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

5. *Our Company's growth depends on our growth in FMCG, wine and liquor and the anti-counterfeiting industries.*

For Fiscal 2016, 2017 and 2018, our Company derived 48.01%, 40.13% and 30.30% of our gross sales from FMCG segment. Our revenue from FMCG segment has decreased from ₹ 372.15 million in the Fiscal 2016 to ₹ 290.81 million in the Fiscal 2018 showing a deficit of 21.86% while our revenue from the wine and liquor segment has grown from ₹ 183.79 million in the Fiscal 2016 to ₹ 293.02 million in the Fiscal 2018 showing a growth of 59.43%. Thus we are dependent on the FMCG and wine and Liquor industries for majority of our revenue. Any slowdown in growth of these industries or demand of our products by FMCG and wine and Liquor industries may affect our growth.

Further, we have invested significant amounts in the growth of our anti-counterfeiting / print security business. Any slowdown or stoppage in the growth of the anti-counterfeiting industry may significantly affect our growth, business, results of operations and financial condition.

6. *Our inability to estimate demand and consequently maintain an optimal level of inventory in our manufacturing facilities may impact our operations adversely.*

The success of our business depends to a large extent on our ability to estimate the demand for our products so as to effectively manage our inventory. An optimal level of inventory is important to our business as it allows us to respond to demand effectively and to maintain a full range of products for supply to our dealers. Ensuring availability of our products requires prompt turnaround time and a high level of coordination across all functions, including raw material procurement, manufacturing and warehousing.

We aim to maintain an optimal level of inventory of raw materials, work in progress and finished goods. We plan our production volumes based on past trends of demand for our products. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. As our dealers are not obliged to purchase our products or provide us with binding forecasts, we cannot assure you that demand will match our production levels. Any error in forecasting could result in shortages or surplus stock which could lead to loss of business or have an adverse impact on our profitability. If we over-stock inventory, our capital requirements may increase due to increased costs of inventory maintenance and we may incur additional financing costs. If we under-stock inventory, our ability to meet demand and our operating results may be adversely affected. Additionally, if our production is not in sync with market demand, it could result in inventory pile up and lower off-take. Further, we may be required to offer discounts to clear unsold inventory, which may adversely impact our margins. We cannot assure you that we will not face inventory mismatch in the future. Our inability to accurately plan production of our products and manage our inventory may have an adverse effect on our business, financial condition and results of operations.

7. *We depend on certain suppliers for our raw materials and other components required for our manufacturing process which could result in delays and adversely affect our output.*

Our production depends on obtaining adequate supplies of raw materials and other components on a timely basis. We purchase our main components from domestic and international third-party raw material manufacturers that can satisfy our quality standards as well as those of our customers and meet our volume requirements and with who we have good relations with. In light of our standards, there are few suppliers who may supply (within time) the raw materials of the required specifications and up to the quality standards which are essential to our manufacturing process and for our products. We place reliance on these key suppliers and this generally involves several risks, including a shortage of raw material and other components, increases in component costs and reduced control over delivery schedules. Also the capacity of certain of these suppliers may not be equipped to cope with increase in orders on short notice or may prefer other customers to make supplies to over us.

In the aggregate, our top five suppliers accounted for 92.11%, 92.48% and 91.41% of our purchases (net) for the years ending March 31, 2018, 2017 and 2016, respectively. Our reliance on certain key suppliers could result in delays that could adversely affect our output, results of operations and financial condition. Where alternative sources of raw materials and components are available, qualification of the alternative suppliers, establishment of reliable supplies from such sources and reliance on them over time may result in delays that could adversely affect our manufacturing processes, results of operations or financial condition.

8. *In the event we are unable to procure adequate amounts of raw material, at competitive prices, our business, results of operations and financial condition may be adversely affected. Further, we do not generally enter into agreements with our suppliers and accordingly may face disruptions in supply from the current suppliers.*

The primary raw materials required to manufacture our products are pressure sensitive adhesive label material, decorative foils, inks and varnishes including stores, spares, dies and plates. The cost of materials consumed used in our manufacturing process accounted for 77.59%, 75.84% and 76.87% of our operational expenses in Fiscal 2018, 2017 and 2016 respectively. We generally do not enter into agreements with suppliers of our raw materials that we purchase and typically transact business on an order-by-order basis and also procure our raw materials on the spot. We cannot assure you that there will not be a significant disruption in the supply of raw materials or finished products from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials of comparable quality at an acceptable price, or at all. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness, service, financial stability and labour and other ethical practices.

Additionally, we cannot assure you that the raw material suppliers will continue to be associated with us on reasonable terms, or at all. Since such suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such raw material suppliers, which may cause them to cater to our competitors alongside, or even instead of us. The amount of raw materials procured and the price at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers.

While historically we have not experienced a shortfall or limited availability of raw materials that has affected our operations, we cannot assure you that there will not be any seasonal factors, or a significant and prolonged interruption or a shortage in the supply of our critical raw materials. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins and adversely affect our results of operations. Further, an increased cost in the supply of raw material 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 net revenue from operations both in the short and long term.

9. ***A shortage or non-availability of electricity may affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing operations require continuous supply of electricity and any shortage or non-availability may adversely affect our operations. We currently depend on state electricity supply for our energy requirements, as well as backup generators at our facilities. We cannot assure you that our facilities will be operational during power failures. Any failure on our part to obtain alternate sources of electricity in a timely manner, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

10. ***Our success also depends to an extent on our research and development capabilities and failure to derive the desired benefits from our product research and development efforts may hurt our competitiveness and profitability.***

Our success is dependent on our ability to develop new technology and products and continue to work on and improve production capabilities. We make investments in product research and development, in particular, to improve the quality of our products and expand our product offerings, which are factors crucial for our future growth and prospects. We have invested significant sums of our funds and intend to continue investing in the development of high quality and innovative print security and anti-counterfeiting technology and to capitalize the opportunities prevailing in the current anti-counterfeiting market. However, we may not be able to make suitable levels of investments as may be required by the business. Further, we cannot assure you that any such investments, which we have made or intend to make in our print security segment will provide adequate returns. This may affect our business results and operations.

We cannot assure you that our future product research and development initiatives will be successful or be completed within the anticipated time frame or budget, or that our newly developed or improvised products will achieve wide market acceptance from our customers. Even if such products can be commercially successful, there is no guarantee that they will be accepted by our customers and achieve anticipated sales target or in a profitable manner. Additionally, we cannot assure you that the time and effort that we spend in research and development would be beneficial to the Company. We cannot assure you that costs incurred by us towards research and development may in the future actually reduce the costs incurred by us towards production of these products.

In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior quality and features to our products. It is often difficult to project the time frame for developing new technology/products and the duration of market window for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we continue to fail in our product introducing efforts, our business, prospects, financial condition and results of operations may be materially and adversely affected.

11. ***We face the risk of our brand security solutions getting imitated, or likenesses of our prints being reproduced. Any duplication of our high security graphic prints and products being sold at lower prices in the market may adversely impact our reputation and goodwill, business and financial conditions.***

We are able to constantly innovate and develop different brand security solutions through our R&D and our print process through our in-house R&D and design teams. Our R&D team is continuously researching and innovating new and improved brand security solutions on labels and packages and integrating new and advanced technologies on the products of our customers. Currently, one of our units is equipped with technology which is capable of offering a variety of brand security solutions including high security graphics in sub-five micron parameters, whereas most commercial and packaging printers are not capable of printing such parameters. Therefore, our brand security solutions and high security graphic prints are extremely difficult to forge or replicate, thereby significantly reducing the chances of counterfeiting of the products of our customers. Counterfeit consumer goods, unauthorized sales (diversion), material substitution and tampering can all be minimised or prevented with such anti-counterfeiting technologies. However, we cannot assure you that our brand security solutions are impossible to imitate, or that it is not possible to print likenesses of our graphics. In the event any third parties obtain or develop the technology or the capabilities to imitate our brand security solutions, or the ability to print likenesses of our security graphics, it could cause damage to our reputation, goodwill, business prospects and financial conditions.

12. ***Our business is dependent on our manufacturing facilities and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or underutilization of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.***

We conduct our operations through our manufacturing facilities located at Dehradun and Chennai. Our business is dependent upon our ability to manage and maintain our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. We may also face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

We cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

13. ***We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims.***

We consider our brand and intellectual property to be one of our most valuable assets and therefore we have registered corporate logo ZIRCON Technology & Innovation at work under class 9, 16 and 40 under the Trade Marks Act, 1999. We have also applied for the registration of the trademark ig-gram under class 9, 16 and 40 under the Trade Marks Act, 1999, which are currently pending registration. Further, we have also filed a patent application before the Controller of Patents, New Delhi for the "*Method of Providing a Scratch-able Printed Matter*" under the Patents Act, 1970 which is pending registration as on the date of this Draft Red Herring Prospectus. For additional details, please see "*Government and Other Approvals – Approvals in relation to Intellectual Property of our Company*" on page 332. We also rely on unpatented proprietary knowhow, continuing technological innovation and other trade secrets to develop and maintain our competitive position. We have not obtained registration in respect of all of our intellectual property. We cannot assure you that we will be granted the patent or trademark pursuant to the abovementioned application, in a timely manner or at all. Further, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

The measures we take to protect our intellectual property include relying on Indian intellectual property legislations and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing intellectual property rights belonging to any third parties, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert our management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

14. *Our Company is involved in certain legal proceedings, which, if determined adversely, may affect our reputation, business and financial condition.*

We are currently, and may in the future be, implicated in lawsuits including lawsuits involving compensation for loss due to various reasons including tax matters, civil disputes, labour and service matters, statutory notices, regulatory petitions and other matters. In addition, we are subject to risks of litigation including public interest litigation, contract, employment related, personal injury and property damage.

Our Company is currently involved in certain tax proceedings. These proceedings are pending at different levels of adjudication. The summary of outstanding litigation in relation to direct tax matters and indirect tax matters, against our Company has been set out below:

Tax proceedings against our Company

Direct Tax

(₹ in million)

Particulars	No. of cases outstanding	Total amount involved
Tax proceedings	15	1.71

Indirect Tax

(₹ in million)

Particulars	No. of cases outstanding	Total amount involved
Sales Tax / VAT and CST Proceedings	6	1.83

The amounts claimed in these proceedings have been disclosed to the extent ascertainable/quantifiable and include amounts claimed jointly and severally. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. We may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If any new developments arise, such as changes in Indian law or any rulings against us, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further details, see "*Outstanding Litigation and Material Development*s" on page 326.

15. *If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.*

As of September 15, 2018, our Company had total indebtedness on a standalone basis of ₹ 426.80 million. For further information, see "*Financial Information – Restated Standalone Financial Statements*" on page 178. As of September 15, 2018, on a consolidated basis, our total indebtedness was ₹ 521.32 million. For further information, see "*Financial Information – Restated Consolidated Financial Statements*" on page 178. For further information regarding our indebtedness, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness*" and "*Financial Indebtedness*" beginning on pages 292 and 320, respectively.

Certain of our financing arrangements include covenants to maintain an escrow account, fully insure the charged assets against all risks. For further details, see "*Financial Indebtedness*" on page 320. We cannot assure you that maintaining, or adhering to, such covenants will not hinder business development and growth. In the event that we breach any covenants under our financing arrangements or requisite consents/waivers cannot be obtained, the outstanding amounts due under such financing agreements could become due and payable immediately. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our financing agreements could have a material adverse effect on our business, results of operations, financial condition and prospects.

Some of our financing agreements and debt arrangements set limits on or require us to obtain lender consents before, among other things, material and adverse changes in including but not limited to projects or business, ownership, management, liquidity, financial position; change the constitution, composition, undertake merger, demerger, consolidation, reorganisation, dissolution or reconstitution, scheme of arrangement or compromise with the creditors or shareholders or effect any scheme of amalgamation, reconstruction or dissolution or reconstitution including creation of any subsidiary or permit any company to become its subsidiary; create or permit to subsist any encumbrance or any type of borrowing arrangement with any other bank or financial institution, company, firm or otherwise or accept deposits in excess of the limits laid down by the Reserve Bank of India; invest by way of share capital in or lend or advance funds to or place deposits with any other company/ firm/ concern including group companies, associates, persons; approach capital market for mobilizing additional resources either in the form of debt and equity.

While we have in the past been able to obtain required lender consents for undertaking such activities, we cannot assure you that we will be able to obtain such consents in the future in a timely manner or at all. We have applied to the relevant lenders, for consent to undertake the Issue. If our financial or growth plans require such consents, and such consents are not obtained or other condition or covenant under our financing agreements is not waived by the lender, we may be forced to forgo or alter our plans, which could adversely affect our results of operations, financial condition and prospects. For instance, we propose to utilise part of the Net Proceeds from the Issue for repayment/ pre-payment, in full or part, of certain borrowings availed by our Company. Our Company may be subject to certain prepayment penalty or pre-payment charges. For further details of the proposed objects of the Issue, see "*Objects of the Issue*" on page 85.

16. *We operate in a highly competitive industry and, if we are unable to adequately address factors that may adversely affect our revenue and costs on account of increased competition, our business could suffer.*

The label printing industry in India is highly fragmented with a large number of organised and unorganised players operating in the industry. There are relatively few large companies, followed by a large number of small printers. There are also larger packaging companies that have presence in the labelling space, along with other segments of the labelling industry. Further, while we have an expanding product portfolio requiring us to allocate resources across these verticals, our competitors may have the advantage of focussing on one or fewer product verticals. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any of which could adversely affect our business and results of operations.

Further, industry consolidation may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete. Our competitors may further affect our business by entering into exclusive arrangements with our existing or potential clients. We cannot assure you that we will be able to compete successfully against such competitors. There are various factors that could impair our ability to maintain our current levels of revenues and profitability in our label printing business, including the competition with other companies offering better visual appeal of the product and security features, cost effectiveness and ease of application, companies having a wide range of products etc. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, pricing pressures in the staffing industry and the extent of our competitors' responsiveness to their clients' needs. Our business may also be affected should our present or prospective clients choose to utilise their internal workforce or rely on independent contractors or local recruitment agencies in the organised segment for meeting their manpower requirements. Our continued success depends on our ability to compete effectively against our existing and future competitors.

17. *Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.*

Our operations are subject to various government regulations and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for each of our manufacturing facilities. For details of our approvals, see "*Government and Other Approvals*" on page 331. A majority of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval or its renewal. We cannot assure you that the relevant authorities will issue or renew any expired permits or approvals in time or at all. Failure or delay in obtaining approvals or failure by us in obtaining, maintaining or renewing the required permits or approvals within the validity period of such approvals or permits, may result in interruption of our operations. Furthermore, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

Although we endeavour to obtain and maintain relevant regulatory approvals and permits applicable to our operations, such approvals and permits are subject to various conditions and in the event of our inability to comply with such conditions, the relevant regulatory authorities may suspend or revoke such approvals. In addition, the regulations governing our operations may be amended and impose more onerous obligations on us which may result in increased costs or subject us to penalties or disruptions in our activities, any of which could adversely affect our business.

While we believe that our manufacturing facilities are in compliance with applicable laws and regulations, we may be subject to additional regulatory requirements due to changes in governmental policies. Further we may also incur additional costs and liabilities related to compliance with these laws and regulations that are an inherent part of our business. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract a penalty.

18. ***Failure to comply with environmental laws and regulations could lead to unforeseen environmental litigation which could impact our business and our future net earnings.***

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water and the management and disposal of any hazardous substances. Environmental laws and regulations and their enforcement in India and our international licensed territories are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be pre-empted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, and revocation of operating permits or shutdown of our facilities.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated and may adversely affect our business, results of operations or financial condition. In the event our products are found to be non-compliant with any environmental laws or regulations, our products could be restricted from entering certain markets, and we could also face other sanctions if we were to violate or become liable under environmental laws. In the event we are found to be non-compliant, the potential exposure could include fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. Further, liability under some environmental laws relating to contamination of sites can be imposed retroactively. The amount and timing of costs under environmental laws are difficult to predict.

19. ***Any withdrawal, or termination of, or unavailability of tax benefits and exemptions being currently availed by us may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our manufacturing facilities at Dehradun benefit from certain tax exemptions provided by the Government of India in relation to some of the manufacturing activities undertaken by us at these facilities. These tax exemptions are available under section 80IC of the Income Tax Act, 1961 and other relevant tax laws. These tax benefits available to us will expire between Fiscal 2019 to Fiscal 2020. We may translate such tax benefits into reduced deduction thereby affecting our financial results and operations. For further details see, "*Statement of Tax Benefits*" on page 100.

When these tax benefits expire or terminate, our tax expense is likely to materially increase, thereby impacting our profitability after tax. Our profitability will be affected to the extent that such benefits will not be available beyond the periods currently contemplated. Our profitability may be further affected if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of these benefits.

20. *The objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.*

The objects of the Issue have not been appraised by any bank or financial institution. Though these estimates have been taken recently, they are subject to change and may result in cost escalation. Any variation in the Objects of the Issue would require shareholders' approval and may involve considerable time or may not be forthcoming and in such an eventuality it may adversely affect our business or operations.

Further, our Promoter and controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the Objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on our Promoter and controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoter or controlling shareholders from agreeing to the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

In light of these factors, we may not be able to undertake any variation in Objects of the Issue to use any unutilized proceeds of the Issue even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of our Net Proceeds, if any, which may adversely affect our business and results of operations.

We propose to utilize a portion of the Net Proceeds to repay or pre-pay, in full or in part, certain of the term loans and business loans availed by us, and accordingly, the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets. The details of the loans identified to be repaid or prepaid using the Net Proceeds have been disclosed in "*Objects of the Issue*" on page 85. However, the repayment or prepayment of the term loans are subject to various factors including, in certain cases, pre-payment penalties. While we believe that utilization of Net Proceeds for repayment of loans would help us in reducing our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the repayment or pre-payment of certain of our term loans, as the case may be, will not result in the creation of any tangible assets for our Company.

21. *We have not entered into any definitive arrangements to utilize certain portions of the net proceeds of the Issue.*

We intend to use the net proceeds of the Issue for the purposes described in *"Objects of the Issue"* on page 85. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial conditions, business or strategy, as discussed further below. In addition, while we have received quotations, we have not yet placed orders for the machinery and equipment that we propose to purchase from the net proceeds of the Issue. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the net proceeds of the Issue. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows.

22. *We have not identified any alternate source of financing the 'Objects of the Issue'. If we fail to mobilize resources as per our plans, our growth plans may be affected.*

We have not identified any alternate source of funding and hence any failure or delay on our part to raise funds from the Issue or any shortfall in the Issue Proceeds may delay the implementation schedule of our Objects of the Issue and could adversely affect our growth plans. For further information, see "*Objects of the Issue*" on page 85.

23. *We are dependent on a number of key managerial personnel, including our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.*

Our performance depends largely on the efforts and abilities of our Promoter, members of our business team and other key managerial personnel. We believe that the inputs and experience of our Promoter are valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our key managerial personnel including our business heads for the day to day management of our business operations. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. We may require a long period of time to hire and train replacement personnel in the event qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation and provide bonuses and perquisites more rapidly than in the past to remain competitive in attracting employees that our business requires. In the event of the loss of the services of our directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on the Company's financial results and business prospects.

24. *Our registered office and some of the premises from which we operate or which we use for the purposes of our operations are situated on lease hold premises. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect our operations.*

The premises used by our Company at Chennai is taken on a short – term leasehold basis from a third party which is valid for 5 years with effect from February 12, 2016, i.e., until February 11, 2021. Further, our registered office and our corporate office are taken on the basis of short-term leave and license basis from third parties. Most of the short term lease deeds are not registered. In the event such leases are not renewed or are terminated, it could adversely affect our operation unless we arrange for similar premises. If we are unable to continue or renew such leases on same or similar terms, or find alternate premises on lease on similar terms or at all, it may affect our business operations. Any failure to renew these agreements or procure new premises will increase our costs or may force us to look out for alternative premises which may not be available or which may be available at more expensive prices. Any or all of these factors may have a material adverse effect upon our operation and profitability.

25. *Significant disruptions of information technology systems or breaches of data security or inability to adapt to technological changes could adversely affect our business.*

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. The complexity of our computer systems may make them potentially vulnerable to breakdowns, malicious intrusion and computer viruses. Further, we depend on the successful introduction of new production and manufacturing processes to create innovative products, achieve operational efficiencies and adapt to advances in, or obsolescence of our technology. Our future success will depend in part on our ability to respond to technological advances in the businesses in which we operate, on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. We cannot assure you that we will successfully implement new technologies effectively or that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive.

Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and our financial performance may be impacted.

26. ***Our Promoter and Promoter Group will continue to hold a majority stake in our Company after completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.***

Following the completion of the Issue, our Promoter and Promoter Group will hold approximately [●]% of our issued and paid-up equity share capital. As a result, they will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoter will not have conflicts of interest with our other shareholders or with our Company. There is no assurance that the Promoter will not act or vote in a manner which may conflict with the best interests of the Company or that of minority shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

27. ***Our Promoter and certain of our Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Sanjeev Sondhi, our Promoter and Managing Director, Poonam Sondhi, our Executive Director, and Tilak Raj Sondhi, our Chairman and Non-Executive Director are interested in our Company to the extent of their shareholding in our Company, in addition to any regular remuneration, sitting fees, benefits or reimbursement of expenses as may be payable to them. See "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company"* on page 82. We cannot assure you that our Promoter or such Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter and Promoter Group will continue to influence decisions requiring voting of shareholders. For details on the interest of our Promoter and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management – Interest of our Directors"* and "*Our Promoter and Promoter Group - Interest of our Promoter*" on pages 159 and 170, respectively.

28. ***We have significant working capital requirements and if we are unable to secure adequate working capital on commercially reasonable terms, our business, financial condition and results of operation may be adversely affected. Further, our ability to finance our capital expenditure is also subject to certain risks.***

Our business requires a substantial amount of working capital, primarily to finance the purchase of raw materials. For Fiscal 2018, 2017 and 2016, we incurred gross capitalization of ₹ 126.35 million, ₹ 203.09 million, and ₹ 16.96 million, respectively. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations.

In the future, we may need to seek funding through additional borrowings or securities offerings. We cannot assure you that such funding will be obtained in a timely manner, on satisfactory terms, or at all. Moreover, if we raise additional debt, our interest expense will increase and our debt covenants under our existing loans may be impacted. If we raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted. As of March 31, 2018, our debt to equity ratio was 2.39, on a consolidated basis.

Our ability to finance our capital expenditures is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including borrowing or lending restrictions under applicable laws and the terms of our financial and other arrangements, our own profitability and liquidity and general economic and market conditions. Any inability to obtain sufficient financing, or any significant unanticipated expenses or cost escalations, could result in the delay or abandonment of our business and expansion plans. As a result, if adequate capital is not available to us in a timely manner and on commercially viable terms, this could have an adverse effect on our business, financial condition, results of operations and prospects.

29. ***Our Company has unsecured loans that may be recalled by the lenders at any time.***

Our Company currently has availed unsecured loans which may be recalled by our lenders at any time. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As on September 15, 2018, the total amount of unsecured loans payable on demand, is ₹ 90.25 million. See *"Financial Indebtedness"* on page 320. If we are unable to procure such financing, we may not have adequate working capital to undertake new projects or complete our ongoing projects. As a result, any such demand may adversely affect our business, cash flows, financial condition and results of operations.

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

Any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting the region may adversely affect operations at our facilities. We cannot assure you that we will always be able to arrange for alternate manufacturing capacity. Any inability on our part to arrange for alternate manufacturing capacity may have an adverse effect on our business, results of operations and financial condition.

As of August 31, 2018, we employed 149 full time employees and 193 contract labourers. Some of our employees are represented by labour or workers' unions in the various jurisdictions. Although our relations with our employees are good and we have not experienced any major work stoppages due to labour disputes or cessation of work in the recent past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are improbable for us to forecast or control and any such event could adversely affect our business, results of operations and financial condition.

We cannot assure you that that in the future we will be able to meet all the demands raised by our employees. We also cannot assure you that increase in the amount of wages to be paid to our employees will not have any negative financial impact on our Company. Further, any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

31. ***We hire contracted labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to maintain operational efficiencies, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, in the event that the contractor fails to pay wages to its employees, we as the principal employer of such contract labour may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees in specified situations. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

32. ***Information relating to the installed capacity, actual production and capacity utilisation of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates, and future production and capacity may vary.***

The information relating to the estimated installed capacities of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including assumptions relating to potential facility capacity, facility operating hours and potential operational days. Capacity additions to our manufacturing facilities have been made on an incremental basis, including through expansion of our manufacturing facilities, improving material handling and other operational efficiencies in the production process and addition of equipment or production lines from time to time. Actual production levels and future capacity utilization rates may vary significantly from the estimated installed capacities of our manufacturing facilities and historical capacity utilization rates. In addition, capacity utilization is calculated differently in different countries, industries and for the different kinds of products we manufacture.

In relation to our utilized capacity, certain assumptions have been made in the calculation of the estimated annual installed capacities of our manufacturing facilities included in this DRHP (as certified by an independent chartered engineer). Actual production levels and utilization may however vary due to seasonality in demand from the computed installed capacities of our manufacturing facilities. Undue reliance should therefore not be placed on the installed capacity information for our existing manufacturing facilities and any additional capacity information proposed or the historical capacity utilization rate information included in this Draft Red Herring Prospectus.

33. *We have commissioned a report from CRISIL which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us.*

There is limited reliable information which is available in the public domain about the label printing and print security / anti-counterfeiting industries in India. We have commissioned CRISIL to produce a report, titled "*Assessment of the label printing industry in India*" dated June 2018 ("**CRISIL Report**"). The CRISIL Report, which has been used for industry related data that has been disclosed in this Draft Red Herring Prospectus, uses certain methodologies for market sizing and forecasting. We have not independently verified such data. We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the CRISIL Report or any other industry data or sources are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context.

34. *Any negative cash flows in the future could adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.*

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

Particulars	**Fiscal**		
	2016	**2017**	**2018**
Net cash generated from / (used in) operating activities	59.08	62.91	172.59
Net cash generated from / (used in) investing activities	(9.15)	(194.57)	(116.48)
Net cash generated from / (used in) financing activities	(43.47)	138.10	(65.96)
Net increase / (decrease) in cash and cash equivalents	6.46	6.44	(9.85)

We may experience negative operating cash flows in the future as well. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 292.

35. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have in the past entered into transactions with our Promoter, relatives of our Promoter, Directors, and enterprises over which our Directors have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscals 2018, 2017 and 2016, the aggregate amount of such related party transactions was ₹ 66.41 million, ₹ 22.89 million and ₹ 14.78 million respectively. For details on our related party transactions, see "*Related Party Transactions*" on page 176. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

36. ***We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.***

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required for our facilities and of our products from our facilities to our customers, or intermediate delivery points such as ports and railway stations, both of which are subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials and delivery of our products to domestic customers. We are also dependent on such third party freight and transportation providers for the delivery of our products to customers and suppliers outside India. Our transportation cost constituted 0.56%, 0.63% and 0.44% of our net sales for Fiscal 2016, 2017 and 2018, respectively. Transportation strikes may also have an adverse impact on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products 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 raw materials and products which may also affect our business and results of operation negatively.

A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. An increase in freight costs or the unavailability of adequate infrastructure for transportation of our products to our customers may have an adverse effect on our profitability and results of operation. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

37. ***We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.***

As of March 31, 2018, our contingent liabilities were as follows:

(₹ in million)

Particulars	**Standalone**	**Consolidated**
Contingent Liabilities:		
Income tax matters*	1.71	1.71
Sales tax matters*	1.70	1.83
Guarantees given on behalf of the Company by banks	4.50	4.50
Duty saved on Export Promotion on Capital Goods ("**EPCG**") licenses	63.85	63.85
Interest with respect to the expired EPCG license	4.35	4.35
Total	**76.11**	**76.24**

**This does not include amounts towards certain additional penalty and interest that may devolve on the Company in the event of an adverse outcome, as the same is subjective and not capable of being presently quantified.*

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For details, see "*Financial Statements*" on page 178.

38. ***We are currently entitled to certain export promotion schemes. Any decrease in or discontinuation of such export promotion schemes may adversely affect our results of operations and financial performance.***

We are currently entitled to certain export promotion schemes. As per the licensing requirement under the said schemes, we are required to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. As of March 31, 2018, our pending obligations against EPCG licenses are ₹ 63.85 million. Any reduction or withdrawal of such export promotion schemes or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition.

39. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. As on date, our Company has not adopted any formal dividend policy. In the past, we have not made dividend payments to the Shareholders of our Company. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements.

We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. For details of dividend paid by our Company in the past, see "*Dividend Policy*" on page 177.

40. ***Currency exchange rate fluctuations may have an adverse effect on our results of operations and value of the Equity Shares.***

Our financial information is presented in Indian Rupees. However, we generate a portion of our sales internationally through export and sales outside of India. Approximately 0.30%, 0.86% and 1.65% of our net revenue from operations and 0.32%, 0.87% and 1.70% of our total expenditure for Fiscal 2018, 2017 and 2016, respectively, were undertaken in foreign currencies. We also import certain raw materials and capital goods for our operations. These imports and exports are denominated in foreign currencies, primarily in U.S. Dollars and Euros. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations. Further, due to the time gap between the accounting of sales and actual payments, the foreign exchange rate at which the sale is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of Indian Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations, may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and we have not entered into any arrangements for the hedging of our foreign currency exposure and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

The exchange rate between the Indian Rupee and the USD, Euro and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Indian Rupee and other currencies may affect the value of a non-resident investor's investment in the Equity Shares. A non-resident investor may not be able to convert Rupee proceeds into USD, Euros or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Rupee, if United States or other non-resident investors analyze our value based on the USD equivalent of our financial condition and results of operations. For historical exchange rate fluctuations, see "*Presentation of Financial, Industry and Market Data*" on page 12.

41. ***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business and financial condition.***

We maintain insurance coverage in accordance with industry standards that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Our manufacturing plants are covered under an industrial all risk policy which provides for various covers including fire, special perils and burglary. The raw materials imported by us are covered under a marine cargo open policy wherein raw materials imported are insured from various risks. Our products are covered under a marine cargo open policy wherein products are insured from various risks while being transported by road, rail or sea.

There can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

42. ***The interests of our Promoter or Directors may cause conflicts of interest in the ordinary course of our business.***

Conflicts may arise in the ordinary course of decision-making by the Promoter or Board of Directors of our Company. Our Promoter or some of our non-executive Directors may also be on the board of certain companies engaged in businesses similar to the business of our Company. For instance, Securedibs Technologies Private Limited, our Group Company is authorised to carry out business similar to ours, which is, business of security printing of labels and bar coding products and solutions, however, it is not carrying out any business activities as on the date of this Draft Red Herring Prospectus. Further, our Promoter's proprietorship firm, M/s. Zion Inc is also authorised to carry out business similar to ours, which is, business of printing of labels. Further there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition.

43. ***We do not have certain documents evidencing the profiles of certain of our Directors and Key Managerial Personnel in "Our Management" on page 154 of this Draft Red Herring Prospectus.***

In accordance with the disclosure requirements stipulated under the SEBI ICDR Regulations, brief biographies of our Directors and Key Managerial Personnel disclosed in the section "*Our Management*" on page 154 include details of their educational qualifications and professional experience. However, in respect of certain directors and key managerial personnel, the original documents evidencing such educational qualifications and professional experience are not available. We have undertaken all reasonable efforts to obtain such documents from the concerned Directors and Key Managerial Personnel, and in the absence or loss of such documents, we have relied on affidavits provided by such Directors and Key Managerial Personnel, as the case may be, to verify the authenticity of such disclosures. We cannot assure you that such disclosures do not have any inadvertent errors or omissions.

44. ***Our Company does not have a listed peer which is engaged in a similar line of business or whose business is comparable with our business and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.***

As on the date of this Draft Red Herring Prospectus, there are no companies which are involved exclusively in a business similar to ours, which are listed on the Indian stock exchanges and accordingly, we are not in a position to provide comparative analysis of our performance with any listed company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue. For further information, see "*Basis for Issue Price - Comparison with Listed Industry Peers*" on page 98.

External Risk Factors

45. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

The annual rate of inflation was at 5.09% (provisional) for the month of July 2018 (over July 2017) as compared to 5.77% (provisional) for the previous month and 1.88% during the corresponding month of 2017. (*Source: Index Numbers of Wholesale Price in India, Review for the month of July 2018, published on August 14, 2018 by Government of India, Ministry of Commerce and Industry*) Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. We cannot assure you that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

46. ***Most of our revenue is derived from business in India and a decline in economic growth or political instability or changes in the Government in India could adversely affect our business.***

We derive most of our revenue from our operations in India and so the performance and the growth of our business are dependent on the performance of the Indian economy. In the recent past, the Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

47. ***Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

48. *Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.*

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Presently, India's sovereign rating is Baa2 with a "stable" outlook (Moody's), BBB- with a "stable" outlook (Standard & Poor), and BBB- with a "stable" outlook (Fitch Ratings). Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

49. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

50. *There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.*

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in India than in the markets in the United States and certain other countries. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in certain other countries.

51. *Our growth is directly and indirectly dependent on the Indian economy.*

Our performance and the speed of growth of our business are necessarily dependant on the health of the overall Indian economy. India's economy could be adversely affected by a general rise in interest rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. If the current slowdown in the Indian economy continues it could adversely affect our business including our ability to implement our business strategy and increase our participation in the infrastructure and property development sectors. The Indian economy is currently in a state of transition and it is difficult to gauge the impact of certain fundamental economic changes on our business. The continued downturn in the macroeconomic environment in India or in specific sectors will adversely affect the price of our shares and our business and financial performance.

52. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a bank or corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction.

53. ***Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.***

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the "**CCI**"). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services, or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees, are penalized under the Competition Act, our business may be adversely affected. Further, the Competition Act also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover based thresholds.

On March 4, 2011, the Government of India notified and brought into force new provisions under the Competition Act in relation to combined entities (the "**Combination Regulation Provisions**"), which came into effect from June 1, 2011. The Combination Regulation Provisions require that any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, must be notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (which were further amended on March 28, 2014). These regulations, as amended, set out the mechanism for the implementation of the Combination Regulation Provisions under the Competition Act.

It is difficult to predict the impact of the Competition Act on our growth and expansion strategies in the future. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act or any enforcement proceedings initiated by the CCI or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, it may adversely affect our business, financial condition and results of operations. Any actual, pending, contemplated or threatened proceedings, investigations, actions, claims or suits against us, our subsidiaries and directors, whether meritorious or not, could be time consuming and costly, require significant amounts of management time and result in the diversion of significant operational resources.

54. ***The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.***

The goods and service tax ("**GST**") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules ("**GAAR**"), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and we cannot assure you that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

55. ***Investors in Equity Shares may be unable to enforce a judgment of a foreign court against us.***

Our Company is a limited liability company incorporated under the laws of India. All of our Directors and our Key Managerial Personnel are residents of India. All of our Company's assets and the assets of our Directors are located in India. Decrees in India whether domestic or foreign have to be enforced under the provisions of the CPC and recognition and enforcement of foreign judgments has been laid down under Section 13 of the CPC. Additionally, upon the production of a certified copy of the foreign judgment, an Indian court presumes that the judgment was pronounced by a competent court of jurisdiction unless contrary proved. India is not a party to any international treaty with respect to enforcement of foreign judgments. Under Section 44A, judgments from courts in reciprocating countries can be enforced directly in India. The CPC only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Thus, in the event of a judgment being passed from a non- reciprocating country against our Company for civil liability, it would not be enforceable in India and it would be required to institute new proceedings in India and obtain a decree from an Indian court. Based on the final judgment obtained from a non-reciprocating country, a fresh suit can be initiated within three years of obtaining such final judgment. The United States for instance has not been declared as a reciprocating territory for the purposes of the CPC and thus a judgement of a court outside India may be enforced in India only by a suit and not by proceedings in execution.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which include the United Kingdom, Singapore and Hong Kong. For a judgement from a jurisdiction with reciprocity to be enforceable, it must meet the requirements as laid down in the CPC. If an Indian court is of the opinion that the amount of damages awarded was excessive or inconsistent with public policy in India, it is unlikely that an Indian court would award damages on the same basis, or to the same extent, as was awarded in a final judgement rendered by a court in another jurisdiction. In addition, any person seeking to enforce a foreign judgement in India is required to obtain prior approval of the RBI, to repatriate any amount recovered pursuant to the execution of the judgement.

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

As we are not a listed company, we have not been subject to the increased scrutiny by shareholders, regulators and the public as is associated with a listed company. Pursuant to listing, our Company will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the provisions of the SEBI Listing Regulations and the listing agreements to be executed with the stock exchanges, which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. In the event of experiencing any delays, we may fail to satisfy our reporting obligations, we may not be able to readily determine and accordingly may not be able to report any changes in our results of operations as promptly as other listed companies. We may also be subject to penalties for such delays and non-compliances. In order to ensure the improvement in procedures for internal control over financial reporting and effective disclosure control, attention will be required. As a result, our management's attention may be diverted from other business concerns which would impact our business and operations.

57. ***The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

58. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the provisions of the SEBI ICDR Regulations and other regulations and guidelines prescribed by SEBI, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares Bid for or the price) at any stage after submitting a Bid and are required to pay the Bid Amount at the time of submission of the Bid.

Events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Bid by QIBs and Non-Institutional Investors and Allotment of the Equity Shares. Our Company may choose to complete the Allotment of the Equity Shares pursuant to the Issue despite the occurrence of one or more such events, and QIBs and Non-Institutional Investors would not be able to withdraw or lower their Bids in such or any other situation, once they have submitted their Bid.

59. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under the Income Tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. Further, in accordance with the Finance Act, 2018, which has been notified with effect from April 1, 2018, the exemption on long term capital gains tax has been withdrawn and such tax has become payable in the hands of the investors. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

61. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares our Promoter or significant shareholders may adversely affect the trading price of the Equity Shares.***

After the completion of the Issue, our Promoter and significant shareholders will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in the Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, our significant shareholders may dispose of, sell or otherwise transfer a part or whole of their shareholding in our Company. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares or that our shareholders will not dispose of, sell or otherwise transfer Equity Shares held by them.

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

The regulatory and policy environment in which we operate is subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit ("**ITC**").

Further, the Union Budget presented in the Indian Parliament on February 1, 2018, proposed a number of amendments to the existing direct and indirect tax regime which includes the withdrawal of long term capital gains exemptions on equity shares, long term capital gains applicability in the hands of Foreign Institutional Investors and applicability of dividend distribution tax for certain transactions with shareholders, among others.

The Union Budget is required to be approved by both houses of the Indian Parliament followed by Presidential Assent in order for the Income Tax Act, 1961 and other statutes to be amended and for the above proposals to have the effect of law. Prospective investors should consult their own tax advisors in relation to the consequences of investing in the Equity Shares.

Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, 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 businesses or restrict our ability to grow our businesses in the future.

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

The Issue Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Manager through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Issue Price*" on page 96 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

64. *The market value of the Equity Shares may fluctuate due to the volatility of the Indian securities markets.*

Indian securities markets may be more volatile than and not comparable to, the securities markets in certain countries with more developed economies and capital markets than India. Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges (including the BSE and the NSE) have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, from time to time, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have a negative effect on market sentiment.

Prominent Notes:

1. Initial public offering of 5,900,000 equity shares of face value of ₹ 10 each, of our Company, for cash at an Issue Price of ₹ [●] per equity share (including share premium of ₹ [●] per equity share) aggregating up to ₹ [●] million. The Issue shall constitute up to [●] % of the post – Issue paid – up Equity Share capital of our Company.

2. As of March 31, 2018, our net worth was ₹ 197.69 million as per the Restated Consolidated Financial Information. As of March 31, 2018, our Company's net worth was ₹ 201.38 million as per the Restated Standalone Financial Information.

3. As of March 31, 2018, the net asset value per Equity Share was ₹ 22.31 before bonus issue and ₹ 13.38 post bonus issue, as per the Restated Consolidated Financial Information, and ₹ 22.72 before bonus issue and ₹ 13.63 post bonus issue, as per the Restated Standalone Financial Information.

4. The average cost of acquisition per share by our Promoter, calculated by taking the average of the amounts paid by our Promoter to acquire Equity Shares, is as given below.

Name of Promoter	Average cost of acquisition per Equity Share*
Sanjeev Sondhi	₹ 1.43

**As certified by Singhi & Co., Chartered Accountants pursuant to certificate dated September 15, 2018.*

For details, see "*Capital Structure – History of build-up, Promoter's contribution and lock-in of Promoter's shareholding*" on page 77. The average cost of acquisition per Equity Share by our Promoter has been calculated by taking the simple average of the amounts paid by our Promoter to acquire the Equity Shares. Accordingly, the cost per share has been adjusted for sales consideration.

5. During the period commencing from six months immediately preceding the date of filing of the Draft Red Herring Prospectus, no financing arrangements existed pursuant to which our Promoter, Promoter Group,

Directors, or their relatives have financed the purchase of Equity Shares by any other person other than in the normal course of business of the financing entity.

6. There has been no change in the name of our Company in the last three years. Further, except as disclosed in "*History and Certain Corporate Matters*" on page 144, there has been no change in the objects clause of our Memorandum of Association.

7. For details of related party transactions entered into by our Company with our Promoter, Group Company and subsidiary in the Fiscal 2018, the nature of transactions and the cumulative value of transactions, see "*Related Party Transactions*" on page 176.

8. For information regarding the business or other interests of our Group Company in our Company, see "*Our Group Company*" and "*Related Party Transactions*" on pages 173 and 176, respectively.

9. Any clarification or information relating to the Issue shall be made available by the BRLM 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 BRLM or the Registrar to the Issue for any complaints pertaining to the Issue. For details of contact information of the BRLM and the Registrar to the Issue, see "*General Information*" on page 65.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

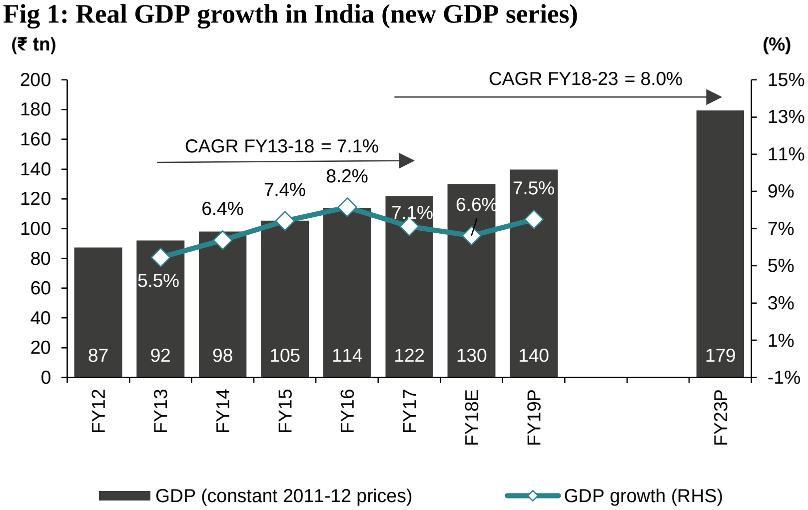
*Unless noted otherwise, the information in this section is obtained or extracted from "Assessment of the label printing industry in India" dated June 2018 (the "**CRISIL Report**") prepared and issued by CRISIL Limited ("**CRISIL**"). Neither we nor any other person connected with the Issue have independently verified this information. 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. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

Review and outlook of GDP growth in India

GDP to grow at a faster pace over the next five years

Consumption and investment constitute the growth engine of any economy. In recent years, India's growth has been firing on the consumption cylinder, while the investment front has been muted. GDP at constant FY12 prices expanded at a 7.1% compound annual growth rate (CAGR) between FY13 and FY18. It grew at a slower pace between FY12 and FY14, because of sluggish income growth, persistently rising inflation, and high interest rates. Industrial output too weakened. After FY14, growth recovered with improving industrial activity, lower crude oil prices and supportive policies. However, that was clipped in FY17, because of demonetisation, dwindling private investment and slowing global growth.

Fig 1: Real GDP growth in India (new GDP series)



Note: P-Projected

Source: CSO (Central Statistical Organisation), CRISIL Research, IMF

The Goods and Services Tax (GST) rollout in early FY18 left its imprint on GDP figures, especially in the first half. CRISIL Research expects real GDP growth to rebound to 7.5% in FY19 from 6.6% in FY18, as the transitory disruption from the GST implementation wanes and a low base provides a fillip. Growth will continue to be driven by consumption, due to softer interest rates, under-control inflation, and the implementation of the Seventh Pay Commission hikes at the state level. Investments, fired largely by public sector investment in infrastructure would start lending growth a helping hand. Growth will also be mildly supported by public spending (with a rural focus) in infrastructure, especially roads.

On the external front, too, synchronised global recovery is expected to gather pace, helping Indian exports that were impacted to some extent by GST-related glitches. However, geopolitical risks, uncertainty about the pace of normalisation of monetary policy in advanced nations, and the appreciation of rupee would limit the contribution of exports to domestic economic growth.

In the medium term, we expect the pace of economic growth to pick up, as structural reforms, such as GST and the Bankruptcy Code, aimed at de-clogging the economy and raising the trend rate of growth, begin to take effect. Assuming that monetary and fiscal policies remain prudent, these reforms would lead to efficiency gains and improve the prospects for sustainable high growth in the years to come. The improving macroeconomic environment (softer interest rate and stable inflation), urbanisation, rising middle class, and business-friendly government reforms will drive growth in the long term. As per the International Monetary Fund (IMF), the Indian economy is projected to grow at an 8% CAGR over FY18-23. India's growth is estimated to be higher than many emerging as well as developed economies, such as Brazil, Russia and China.

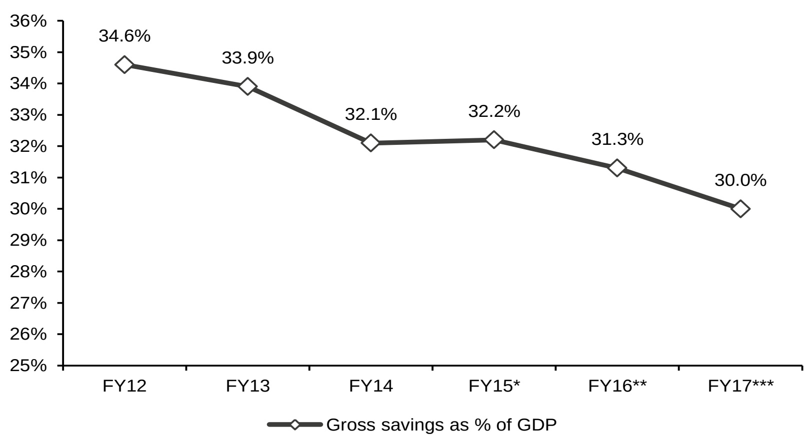
Union Budget for fiscal 2019 focused on reviving rural demand

Given its ambitious target of doubling farmers' income by 2022, the government increased its budgetary allocation for agriculture and allied activities from a revised estimate of ₹566 billion in FY18 to ₹638 billion in FY19. The increased allocation of 12.8% in FY19 is similar to that in FY18. The government also announced measures, such as an assured minimum support price, export liberalisation of agri-products to revive farm realisation, and increased expenditure on rural infrastructure to improve rural income. Construction is a very labour-intensive and, more importantly, it can absorb low-skilled workers – a key characteristic of rural India. Focus on rural housing and roads is expected to help build assets, create jobs and consequently improve income.

Declining savings-to-GDP ratio indicate rising consumer spends

The economic scenario presented by the new series, with 2011-12 as the base year, reveals a fall in India's gross savings as a percentage of GDP, to 30% in FY17 from 34.6% in FY12, thus indicating that people are spending more. Gross savings during FY17 is estimated as ₹45,726 billion as against ₹43,019 billion during FY16.

Fig 3: Trends in saving as percentage of GDP



* Third revised estimate; ** Second revised estimate; *** First revised estimate

Source: First revised estimates of national income, consumption expenditure, saving and capital formation for 2016-17, MoSPI, CRISIL Research

Government push towards increasing formalisation of economy to benefit organised players

Demonetisation of high-value currency notes and other measures to curb flow of unaccounted money, introduction of the GST, and rising usage of digital medium are some of the key triggers for push towards the formalisation of the Indian economy. Increasing formalisation is expected to benefit the organised segments across industries. This trend, coupled with increasing consumer demand for branded products, is likely to aid in organised players gaining share, especially in consumption linked industries such as packaging.

__Favourable economic and demographic factors to drive packaging industry growth__

Formalisation of economy, rising disposable income, urbanisation, growing share of organised retail and increasing consumer preference for branded products are key drivers for growth branded consumer products industry. Since packaging is an integral part of the consumer products industry, these trends are also likely to augur well for the packaging and packaging decoration industry also. Moreover, as large, organised players prefer established suppliers, growth in organised segment of the packaging and packaging decoration industries.

India's GDP growth is expected to outperform other emerging and developed economies over the medium term. Over the last few years, per capita disposable incomes of Indian consumers have grown at a healthy rate improving their affordability. Consumers are also becoming more health conscious. As a result, they increasingly prefer packaged and branded food/ non-food items over unpacked, non-branded items, which drives demand for packaging.

Overview of the Indian packaging industry

__Packaging plays an important role in marketing and selling a product__

From a quintessential security covering to an important aspect of hard-selling and marketing a product, the role of packaging has undergone a drastic change over years. Packaging today plays an important role in the final saleability of a product.

The packaging industry can be classified based on the nature of packaging, materials used, and the function of the packaging layer. The below diagram depicts the classifications based on the nature and material used.

Fig 4: Segmentation of the packaging industry

Type of packaging

Type of material used

	Flexible Packaging	Rigid Packaging
Glass		Bottles Vials
Metal	Aluminum foils	Tin cans Steel drums Pilfer proof caps Aerosol containers Collapsible tubes Aluminum containers
Polymer	BOPP bags PP bags HDPE bags Laminated tubes	PET bottles HDPE containers
Paper/Film		Corrugated boxes Mono-carton

Packaging decoration

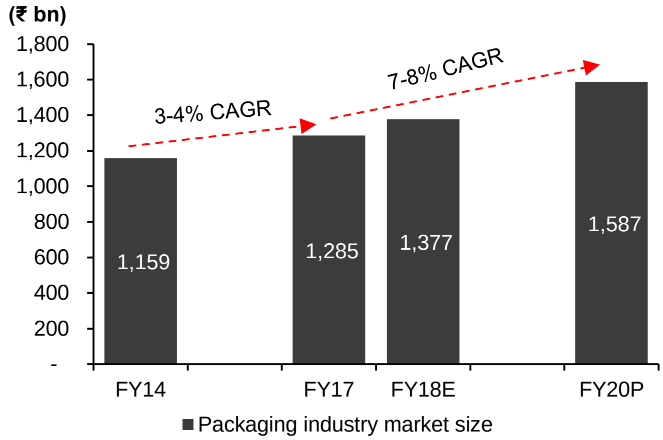
Labels
Wet glue **Shrink sleeve** **Pressure sensitive** **In-mould**

Source: CRISIL Research; Industry

Indian packaging industry to register a relatively higher growth over the medium term

CRISIL Research estimates the size of the Indian packaging industry to be ₹1,380 billion in FY18, up 7.2%, on-year driven by volume and realisation growth. This was on the back of a tepid FY17, when demand posted a moderate growth of ~2.5%, as demonetisation and decline in realisation impacted demand. Polymer packaging, which is the largest segment (~62% in fiscal 2017), increased ~3% in FY17. Metal and paper packaging increased 1-2%. On the other hand, glass packaging de-grew ~1%, due to pricing pressure and volume decline. This was due to rising substitution, primarily in the non-alcoholic segment.

Fig 5: Indian packaging industry to grow at 7-8% CAGR over FY18-FY20

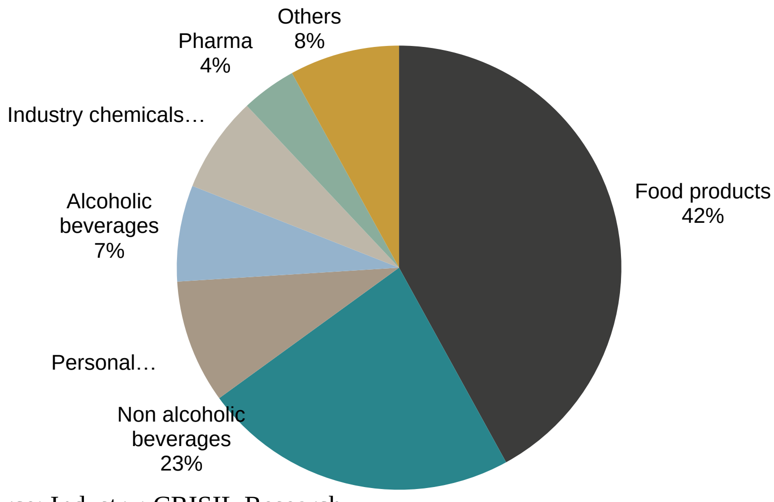


Source: Industry; CRISIL Research

Over FY17-20P, we expect the industry size to expand at a 7-8% CAGR, in value terms, on the back of healthy volume growth and a gradual improvement in realisation, stemming from an expected rise in polymer prices. Pharmaceuticals, alcoholic beverages, food products and personal care sectors are expected to be the key growth drivers. The increased focus of FMCG (fast-moving consumer goods) companies on innovative packaging concepts, which offer scope for enhanced aesthetic value and an extended shelf life, will also propel demand.

The packaging industry grew at a 3.5% CAGR over FY14-17, driven by healthy growth in the pharmaceutical sector (7.5%). Moreover, food products and alcoholic beverage demand also increased at a 3-4% CAGR during the period. Food products, along with alcoholic and non-alcoholic beverages, account for close to 75% of demand in the packaging industry, and hence are key demand drivers. Polymer has emerged the most-preferred packaging material, expanding at a 4.5% CAGR over FY14-17, compared with 2-4% for paper and glass packaging (metal packaging de-grew at a ~2% CAGR over the same period). FMCG companies' focus on rural markets, where many products are sold in smaller quantities in pouches and sachets, has been a key catalyst of demand for polymer packaging.

Fig 6: Break-up of end-user segments (FY2017E)



Source: Industry; CRISIL Research

Healthy growth prospects for packaging industry bodes to drive packaging decoration industry

Packaging decoration – comprising mainly labels and direct printing - plays an important part of packaging and selling products. Almost all product packaging requires decoration. Thus, growth in packaging industry is expected to drive demand for packaging decoration industry as well.

Labels have applications across packaging segments. They are majorly prevalent in polymer and glass. For metal as well as paper, direct printing is prevalent for some specific applications with label finding applications for few other products. Labels come in a variety of shapes, sizes and materials, and help to attract consumer's attention towards the product. A well-designed label can also make the product visually appealing. Moreover, it can also help in identifying the brand/trademark as well as communicating the virtues of the product. Our detailed analysis of the label printing industry is provided below.

Assessment of the label printing industry in India

Used for a range of purposes, label printing has emerged as an integral part of the modern consumer and industrial product packaging. Labels are essential for most products today, which aids in identifying and marketing products and also provides important consumer-related and legislative information about the products. Our interactions with the industry sources suggest that the label printing industry is growing faster than the overall packaging industry, both globally as well as in India. The rise in consumer preference for branded products, globalisation of international brands, increasing awareness regarding security and consumer protection, launch of new products and brands, and emergence of e-commerce have been the major growth drivers in the label printing industry. In this section, we analyse the Indian label printing industry in greater detail.

An overview of the label printing industry

The label printing industry is estimated at ₹105 billion in FY17-18. The industry is highly fragmented with a large number of printers catering different industries.

Labelling in an important part of packaging and selling products. Labels come in a variety of shapes, sizes and materials, and help to attract the consumer attention towards the product. A well-designed label can also make the product appealing visually. Moreover, it can also help in identifying the brand/trademark as well as communicating the virtues of the product.

Label printing has diverse applications

- **Communication of product information:** Labels help in communicating important information about the product, including information on pricing; manufacturer details; volume or weight; product features; ingredient or content list; storage; handling; safety; and other usage-related information. Also, regulatory information can also be provided for regulated pharma and FMCG products. Labels may also include a unique product ID for tracking, thereby aiding in incorporating security features.
- **Enhancing the visual appeal of products:** Labels can be used by brands/companies to enhance the visual appeal of products, thereby attracting potential buyers to purchase a product. A label helps in identifying the brand and communicates its unique selling point (USP).
- **Security features:** Packaging can play an important role in reducing the security risks of product shipments. Packages with improved tamper resistance act as a deterrent to any manipulations. There can also be tamper-evident features, indicating that tampering has taken place. Packages can be engineered to help reduce the risks of package pilferage or the theft and resale of products: Some package constructions are more resistant to pilferage than other types, and some have pilfer-indicating seals. Counterfeit consumer goods, unauthorised sales (diversion), material substitution and tampering can all be minimised or prevented with such anti-counterfeiting technologies. Packages may include authentication seals and may use security printing to indicate that the package and contents are not counterfeit. Packages also can include anti-theft devices, such as dye-packs, RFID tags, or electronic article surveillance tags that can be activated or detected by devices at exit points and require specialised tools to deactivate. Using packaging in this way is a means of retail loss prevention.

The industry is characterised by key printing processes as below:

- **Gravure printing:** It is a direct application process, meaning ink is placed directly onto the surface without having to go through the more complex methods that flexo and offset require. Globally, the companies that use it are usually larger ones and tend to produce complex labels, such as those that include metallics.
- **Flexography:** It is also known as flexo, is a printing process that works using image plates. Flexo printing utilises rubber or polymer plastic plates. Thus flexo plates are more flexible and less expensive to produce than gravure's rigid metal tubes.

- **Offset printing:** It is also called lithography. The ink rollers transmit ink and are recognised in the image areas, but repelled by non-print areas. The image is then copied, or offset, from the plate to another cylinder called the blanket. The blanket accepts the image and then transfers it to the printing surface.
- **Digital:** This technology uses computer-monitored color calibration for matching and target reproduction. The toner or ink is applied through an electrostatic process. Globally digital printing technology is growing rapidly. This is primarily used for short runs, which can be used for variable data jobs.

In the label-printing industry, flexography is used for productivity, higher speed for large volume and overall quality.

Label printing industry can be categorized into four segments

Based on the type of applications, the label printing industry can be categorised into four broad segments – wet glue labels, pressure sensitive labels, in-mould labels, and shrink sleeve labels. With a 50-55% share of the domestic label printing market, wet glue is the largest segment, followed by pressure sensitive segment, which accounts for 35-40% of the market. In-mould and shrink sleeve together accounts for the remaining ~5-10%. Even though the wet-glue segment accounts for the major share of the market at present, the pressure sensitive segment has been growing much faster in recent times, thereby gaining a share in the overall market. A brief overview of each segment is provided below:

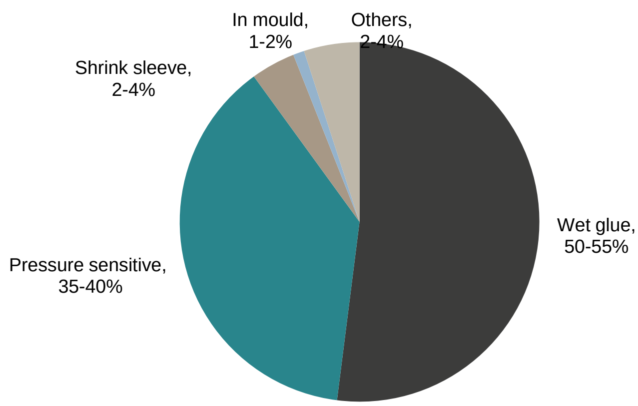
- **Wet glue labels:** The most traditional method of label packaging, wet glue labels are used predominantly for glass packaging applications – such as in alcoholic beverages, jams, and some carbonated beverages. For these types of labels, adhesives have to be applied by the product manufacturer or bottling vendor on the product itself. The segment accounts for the highest share among various types, as it is cost-effective. Since there is no adhesive before use, it has a long storage life. However, owing to lower aesthetic appeal and limited applications, the use of wet glue labels has been coming down in recent years.

- **Pressure sensitive or self-adhesive labels:** The fastest-growing among the label-packaging segments, these type of labels usually come in rolls and can be peeled off and applied on the product manually or by a machine. They don't require heat or any solvent to adhere to the product and thus are convenient to use. Additionally, these labels have wider applications and are aesthetically more appealing to consumers.

- **Shrink sleeve labels:** These are a type of labels that offers 360^{O} messaging on the product. The label takes the shape of the container, as it is shrunk using heat. These can be used with plastic, glass or metal containers and are majorly applied through machines, typically through gravure printing.

- **In-mould labels:** This type of labels are applied during the manufacturing of the container. The label is placed within the mould, when the container is being formed in contrast to applying the label on the finished product. This gives the container giving *no label* look. The widely used moulding process are injection moulding, blow moulding and thermoforming. The share of this type of label is very low, because of higher cost associated.

Fig 8: Share of different labels in the total label printing industry (current)



Source: Industry; CRISIL Research

Pressure-sensitive segment to continue to gain share from the wet-glue segment, to emerge as the most preferred method of label printing

Until the end of the penultimate decade of the last century, wet-glue labels – which were printed using offset press – had widespread usage, especially as glass was the dominant medium of packaging of various products including medicines, alcoholic beverages, and other food products. Pressure-sensitive labels were mostly used for FMCG products, which had plastic packaging. As plastic packaging gradually gained prominence over glass packaging, the demand for plastic packaging was on a steady uptrend. However, the introduction of shrink-sleeve labels tilted demand away from pressure-sensitive labels, as the former were most cost effective compared with the latter. Moreover, shrink sleeves offered a 360^{o} packaging with the potential to conceal any defect or mould lines of the containers.

With the improvement in polymer technology, the quality of plastic moulded containers improved steadily, eradicating the need to conceal defects. Rising income and higher spending propensity of consumers, coupled with growing preference for premium products (pressure sensitive labels were perceived to be more premium than shrink sleeves) led to the shift in demand towards pressure sensitive labels. Additionally, the launch of new products by companies and ease of application – shrink sleeves was a tedious process and wet glue was a messy process – provided impetus to demand for pressure-sensitive labels. Since then, pressure-sensitive labels have been growing relatively faster and gaining share over shrink sleeve and wet glue labels. Because of the increasing share of polymers as the main packaging material, pressure sensitive labels are expected to continue to gain share from wet glue labels, gradually emerging as the leading label type. As a result, we expect companies focusing on the pressure sensitive labels to perform better than other label printing players focused on wet glue or shrink sleeve methods.

SUMMARY OF BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in "Risk Factors" on page 17. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from the CRISIL Report. This section should be read in conjunction with the "Industry Overview" on page 103.

Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information, included in this Draft Red Herring Prospectus on page 178.

Overview

We are a company engaged in the business of label printing for packaging of products and brand security solutions. Our business is supported by our in-house research and development ("**R&D**") process which is complemented by our existing infrastructure facility. We develop and offer a variety of labels and brand security solutions to a large number of national as well as international companies. We help our customers in decorating their brands with our high quality labels customized to suit their technical and aesthetic specifications as well as protecting their brands and the packages of their products from tampering and counterfeiting.

We also have an advanced in-house R&D division which has resulted in several technological breakthroughs including some of our recent developments such as a high scratch resistance coating technique and a special technique for a mirror-like glossy finish coating on our products. In our brand security solutions segment, we integrate high security graphics and other security elements onto the labels and brand images that we produce for our customers. We have also offered our technology of our high security graphics design and printing segment to a large European company under a licensing agreement in 2013 for which we receive royalty income. Our high security graphics printing technology was developed through our extensive in-house R&D process. We believe that our brand security technology is capable of successfully penetrating into a large variety of industry verticals and brands.

Our brand security and labeling solutions are designed to suit the specific needs of various industries including homecare, personal care, food and beverage, wine and liquor, pharmaceutical, agro-chemicals, automobile industries as well as industrial products. Our products are in conformity with the industry quality parameters that help in identifying the brands of our customers. Since any label on a product is the first point of interaction between the consumer and the brand, our high quality aesthetic labels facilitate the communication of the unique selling point and the authenticity of the brands and help protect their brand identity from the menaces of counterfeiting and tampering.

Even though our current revenue is predominantly driven by our labeling business, we aim to grow our innovative brand security solutions. We provide our brand security solutions to several large national and international companies and brands, and expect our brand security solutions segment to contribute to 25% of our total revenue by Fiscal 2021. We believe that our brand security solutions segment shall play an important role in the future growth and profit margin of our Company and in establishing our positioning as a technology innovator in the industry.

As on date of filing this Draft Red Herring Prospectus, our product portfolio comprises of self-adhesive labels, security labels, anti-counterfeiting labels, brand security labels and tamper evident labels, hybrid security labels, canister labels and a host of other labeling solutions including techniques for prevention of duplication of prints and anti-counterfeiting.

As on date of filing this Draft Red Herring Prospectus, we have 3 manufacturing units – two in Dehradun and one in Chennai. We aim to set up a dedicated R&D center in Dehradun by 2021, which will be involved in research of creation of new anti-counterfeiting solutions, micro-optics, chemicals and coatings, and printed electronics. Both of our units in Dehradun are ISO 9001:2015 certified for our Quality Management System. We also became the first HD Flexo Certified company in India in May, 2012.

We believe that our brand equity is strongly associated with our position as one of the leading players in the labeling and brand security industry. In recognition of our capabilities, we have been recipients of various awards, which we believe have contributed in creating our strong brand value. We were awarded the 'Tv100 Excellence Award for Innovation in Manufacturing in the Packaging Sector' at the Industrial Excellence Awards, 2016, and were the runners up in the Combination Printing Colour at the Label Awards, 2014, organised by Avery Dennison and the Label Manufacturers Association of India. For further details on the awards and accreditations obtained by our Company, please see *"History and Certain Corporate Matters – Awards and Accreditations"* on page 149.

Our Company is managed by our Promoter and Managing Director, Sanjeev Sondhi, who has over 25 years of experience, including 12 years of experience in the print security and label manufacturing industries. Our Company is also supported by an experienced management team, including our Executive Director, Poonam Sondhi, and our Vice President Operations, Arun H.S. both of whom have over 15 years of industry experience. As of August 31, 2018, we have a total workforce of 342 individuals out of which 149 individuals are employed by us as permanent employees, and 193 persons are hired by us on a contractual basis.

Our net revenue for Fiscals 2018, 2017 and 2016 was ₹ 940.78 million, ₹ 872.00 million and ₹ 775.18 million respectively, and grew at a CAGR of 10.16% over such period. Our EBITDA for Fiscals 2018, 2017 and 2016 was ₹ 161.49 million, ₹ 139.06 million and ₹ 116.56 million respectively, and grew at a CAGR of 17.70% over such period. Our profit after tax for Fiscals 2018, 2017 and 2016 was ₹ 63.81 million, ₹ 24.02 million and ₹ 29.57 million respectively, and grew at a CAGR of 46.90%.

Our operations are aligned into the following business verticals:

Zircon Label

We provide high quality labeling and brand image solutions across several different sectors including but not limited to homecare, personal care, food and beverage, wine and liquor, pharmaceutical, agro-chemicals, automobile industry and industrial production. Labels are one of the most visible and recognizable packaging components and are used in a wide variety of applications serving as the primary means of identification of products by the consumers, while creating shelf appeal and brand recognition for the products.

Labels also have the function of serving as a conduit for fulfilling regulatory requirements, communicating information related to the product to consumers and contributing to product integrity and security. We supply a broad range of pressure sensitive labels, including single-panel, multi-panel, multi-ply and extended content labels, as well as cut & stack labels.

We offer labels made from several different print technologies including UV Flexo, UV Rotary and flatbed screen, gravure and different combinations of them, for different application requirements with innovative finishes for decoration, together with our advanced technology and technical know-how. Our advanced printing equipment is capable of handling print material of thicknesses varying from 12 micron up to 600 micron.

Labels accounted for approximately 95.78%, 96.33% and 97.96% of our total net sales in Fiscal 2018, Fiscal 2017 and Fiscal 2016 respectively.

Zircon Secure

Under our print security segment, we offer high security graphics alone or in combination with different security elements such as OVI, OVD, Taggants, specialized security inks and base materials for anti-counterfeiting purposes. These anti-counterfeiting solutions and tamper evident solutions are the basics of any brand protection program designed to curtail and curb the piracy and false duplication of products, which lead to the dilution of the brand image of our customers.

We offer these brand security solutions under the brand ig-gram which stands for 'intelligent graphics'. We have also applied for registration of the logo ig-gram under class 9, 16 and 40 under the Trade Marks Act, 1999 which are currently pending registration. In this segment, we add an additional layer of security to the package or label which can effectively reduce the difficulties arising due to counterfeiting. Currently we offer brand security on labels. However, by December, 2018, we aim to also offer high security aluminum blisters for pharmaceutical packaging. Our brand security solutions segment accounted for approximately 4.22%, 3.67% and 2.04% of our total net sales in Fiscal 2018, Fiscal 2017 and Fiscal 2016 respectively.

Competitive Strengths

We believe that the following are our primary competitive strengths:

One of the leading players in the labeling segment

We are engaged in the labeling and brand image business since 2006. Our presence in this segment since over 12 years has helped us to understand the constant changing needs and demands of our customers. On account of our long-standing presence in the Indian market and with constant improvement and adoption of technologies, augmented with quality, we believe that we enjoy considerable brand equity and reliability in the industry in which we operate. This is evidenced by our consistent growth as well as our time-honoured relationships with our customers, with a few of whom we have associations existing since over one decade. Our core competency lies in understanding the changing trends, the needs of our clients and accordingly offering innovative solutions to suit their technical and aesthetic requirements.

With the rise in consumer preference for branded products, globalization of international brands and the emergence of e-commerce, the label printing industry has seen substantial growth, and is suggested to have witnessed faster growth than the overall package industry, globally as well as in India *(Source: CRISIL Report).* Therefore, we believe that we have a competitive advantage on account of being one of the leading players and enjoying an established reputation in the label printing industries.

We have successfully obtained the HD Flexo certification which signifies our ability to produce a wide variety of detailed print qualities. We believe that HD Flexo, as well as our other printing capabilities, creative solutions and specialized manufacturing techniques attract new opportunities for our Company and enable us to achieve higher operating margins. Our experience has helped us to achieve the "preferred vendor" status which is supported by the awards that we have received from several key customers, industrial associations and third parties.

Emerging Player in brand security solutions

Under our brand ig-gram we offer a wide array of brand security solutions to our customers to deter counterfeiters from illegally selling fake products under the brands of our customers and deteriorating the quality of their brand image, thereby contributing to the profitability of our customers. We integrate high security graphics onto the labels and brand images which we offer to our customers, which make the said labels and images nearly impossible to replicate with precision.

According to the CRISIL Report, the global anti-counterfeit packaging market size was US$ 100-120 billion in 2017. We believe that we are capable of successfully augmenting our positioning in the global brand security market, establishing ourselves with a sizeable market share and growing to have a successful reputation in the brand security industry.

In Fiscal 2018, the revenue generated from our brand security solutions was ₹ 39.70 million, which represented 4.22% of our total revenue. We believe that by Fiscal 2021, our brand security solutions will contribute 25% of our total revenue.

Diversified range of products appealing to a wide range of industries

We have continuously diversified our product portfolio to address the needs of a diverse range of customers and applications. We are engaged in labeling and brand security for the food and beverage, homecare, personal care, wine and liquor, pharmaceutical, agro-chemicals, automobile industries as well as for industrial products etc. We have optimally utilized our R&D resources and capabilities which have allowed us to keep up with, and even set market trends in the field of labeling and brand security. It is our belief that we have one of the most diverse, advanced and revolutionary portfolios in the labeling industry. We offer a large number of different products in our labels and brand image segment, with several different types of creative finishes, allowing us to mould our services to exactly achieve the labeling and decoration requirements of our customers.

In our brand security segment, we provide a variety of anti-counterfeiting solutions and tamper evident products for different brands. Our security solutions range from high security graphics to tamper evident labels, and act as a deterrent to any kind of manipulation or meddling with the original products of our customers. Our solutions are engineered to help reduce the risks of faking of brands or package pilferage. Under ig-gram we also offer a hybrid product, which is a combination of our anti-counterfeiting solutions and our tamper evident products.

Our primary product ranges, namely labeling and brand image, and brand security solutions find application across all the industries that we cater to. The diversity in our product portfolio enables us to provide customized solutions to multinational companies that market a host of products across diverse geographies. While the requirements and preferences, and technical and aesthetic specifications of customers across geographies may vary, our ability to customize our products or to innovate creative solutions allows us to operate and produce a large number of solutions for our customers.

The following table sets forth the revenue generated by our business verticals in Fiscals 2018, 2017, 2016, 2015 and 2014:

(₹ in million)

Business Vertical	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Zircon Label (Labeling)	901.08	840.01	759.33	585.68	452.42
Zircon Secure (Brand Security)	39.69	31.99	15.85	4.07	-

In house development and adoption of latest technology

Our R&D team has played an integral role in making significant contributions and additions to our product portfolio. The research conducted by our R&D team has enabled us to adopt several new printing techniques and to widen our product profile. A great portion of our profit margin can also be attributed to the consistent efforts of our R&D team.

We believe that we are among the few companies in the printing and labeling industry who have been successful in the development of several new technologies which are commercially viable. We introduced high security graphics for brand security for the cosmetics, pharmaceutical, automobiles, and wine and liquor industries.

We believe that our brand security technology will succeed in replacing the dated and basic labeling practices to a great degree, aligning a security oriented approach with the aesthetic appeal of modern labels. We are backed by our R&D team which includes our Managing Director who plays an integral role in our penetration into new business avenues with the creative application of our technologies and the identification of potential customers enabling us to enjoy a nation-wide presence. This in turn has enabled us to develop a customized range of innovative product offerings.

We believe that we are one of the pioneers who have successfully integrated high security graphics with the commercial graphics on the labels which we supply to our customers. We are currently researching on the development of a seven-colour print system which will help our Company to significantly improve our profit margins, speed of delivery, as well as increase our production capacity by decreasing our job change-over time, which in turn will increase our overall production capacity.

Our several labeling solutions involve a host of different printing techniques, such as flexo, gravure, letter press, rotary and flatbed UV screen, a combination of flexo and gravure, hot foil and cold foil, embossing and debossing. The printing techniques for our labels are product-specific and are suited to meet the requirements of the brand-owner. This also enables us to deliver maximum client satisfaction, with unblemished products and high quality printing, helping us to get repeat orders and add new customers to our client base. Further, our model makes it feasible for us to set up our facilities anywhere to meet customer requirements.

Product design and manufacturing capabilities

Our sophisticated structural and creative pre-press and design skills, and significant experience in printing complex designs, are important competitive strengths. For instance, we are one of the leading providers of labeling and brand imaging solutions that supports the brand images of internationally recognized customers and their products. For these customers, our printing skills and ability to manufacture labels that incorporate design and construction features with intricate graphic and detailed finishing are an important part of marketing their products. We offer our customers a wide range of print processes, special finishes and effects, and a one-stop-shop for all their labeling and brand security needs. Additionally, our printing techniques are beyond the capabilities of most commercial printers. For example, we are capable of merging our high security graphics with commercial graphics, HD Flexo prints, Flexo gravure prints, etc. This one-stop-shop approach allows our customers to reduce the number of suppliers they use, simplify their packaging procurement and maintain strict quality control.

We have modern, advanced and competitive capabilities in our print security bracket. For example, at one of our units, which is primarily dedicated towards the manufacture of high print security graphics, we are capable of printing images and graphics at a thickness significantly lesser than the thickness at which commercial printers are capable of printing. Further, our printing equipment is capable of handling printing material of 12 microns up to 600 microns. This offers us a great versatility and gives us an edge over our competitors in terms of upgrading the dated technology in the brand security industry.

We have comprehensive quality management systems across the value chain right from procurement of raw materials till the delivery of the final products to the customer. We have undertaken various initiatives and adopted various systems and processes in order to strengthen our focus on quality which is crucial for our business, as well as the business of our customers. Each of our manufacturing units is equipped with modern quality checking and testing equipments for quality assurance. We have received quality accreditations including ISO 9001:2015 for our manufacturing units in Dehradun and Chennai. All our units follow the same high standard for quality. Some of our customers have accredited us highly on their quality parameters. An early stage engagement is normally followed with orders and repeats if development is commercially acceptable. Our awards for quality are testimony of compliance with quality standards and help us in getting repeat orders from our customers.

Experienced management with strong industry expertise

Our management team has considerable experience in the labeling and brand image industry, with our Promoter having extensive technical, commercial and marketing skills and over a decade of experience in the industry. The members of our senior management have diverse skills which have helped us to grow and develop products faster. Our management team's skills include expertise in high security products and labels, as well as proficiency in marketing, sales management, strategic sourcing, supply chain management, domestic capital raising and implementing expansion projects. We believe that our experienced and dynamic senior management team has been key to our success. The vision and foresight of our management enables us to explore and seize new opportunities and to introduce new products to capitalize on the growth opportunities in labeling and brand security industry.

For further details of our key managerial personnel, please refer to chapter titled '*Our Management*' beginning on page 154.

Business Strategies

Our business strategies are focused on the following elements:

Increasing focus on our brand security business

Our brand security business accounted for 4.22% of our revenue in Fiscal 2018 having generated ₹ 39.70 million. Further, as on date of this Draft Red Herring Prospectus, only one of our units in Dehradun is engaged in manufacture of our brand security prints and our tamper evident labels, as well as our holograms and foils etc.

However, we believe that although the brand security business is still a niche market in the country, with the surge in cases of counterfeiting of currency and of labels as a result of the capabilities of modern technology, there is a great need for solutions in the anti-counterfeiting field, which will not only aid in brand protection and also in the stability of the economy. The global anti-counterfeit packaging market size was reportedly US$ 100-120 billion in 2017, *Source: CRISIL Report*. We believe that we are capable of successfully penetrating the global brand security market and establishing ourselves with a sizeable market share and growing to have a successful reputation in the brand security industry.

We continue to invest in our advanced manufacturing plants and R&D process, as well as our design centers to enhance our ability to serve and grow with our customers. This, coupled with our design and development capabilities will enable us to provide more innovative solutions to our customers for preventing the spread of imitations and fake likenesses of their products.

Further we also aim to diversify our product portfolio in our brand security vertical in order to increase our customer base for the same and to increase revenue generated by this segment.

Increased focus on packaging business

We intend to expand our operations from the label industry to the packaging industry in the form of canisters and shrink sleeves. We intend to expand into liquor as well as the beverages, food and packaging industry with our canisters and shrink sleeves. We have commenced production of canisters in our existing facility in Dehradun and aim to grow this segment. We aim to set up our manufacturing unit dedicated to the manufacture of canisters, labels and shrink sleeves and other packaging solutions in Dehradun. See "*Objects of the Issue*" on page 85.

Such forward integration shall require additional resources, capital investment, market research, thereby expanding our business of operations. We aim to achieve forward integration to initiate quality up-gradation and value addition to enhance global competitiveness.

Diversifying our product portfolio through research and design

The labeling industry is expected to grow at 13-15% CAGR to ₹ 150-170 billion by Fiscal 2022 driven by higher demand from key end user segments. Pharmaceuticals, alcoholic beverages, food products, and personal care sectors are expected to be our key growth drivers. The increased focus of FMCG (fast-moving consumer goods) companies on innovative packaging concepts that offer scope for enhanced aesthetic value and an extended shelf life is also expected to propel demand. Growth in the packaging industry is expected to be one of the key demand drivers for the label printing industry. *(Source: CRISIL Report).*

In addition to the expected growth in the labeling industry, our R&D division is also currently focused on the development of the following products and solutions:

(i) Micro optics to work in the field of brand security;
(ii) high security documents such as certificates;
(iii) printed electronics; and
(iv) chemicals & coatings.

We also aim to set up a dedicated R&D centre for research in the fields of chemicals & coatings, and printed electronics. We have been focusing on research and innovation with our in-house dedicated division. Currently we are in the process of developing a seven-colour print system. We have also worked along with our customers for developing new products from conceptualization stage, which serves as a testament to our innovation skills. We intend to continue providing such customized products to meet the varied requirements of our customers. We aim to consistently invest in research and design to innovate and develop new products and strengthen our positioning as the preferred solutions provider for our customers.

Our R&D team is persistently attempting to develop new and innovative ways to upgrade the anti-counterfeiting capabilities of our Company. This enables us to effectively counter the menace of the duplication of our clients' products across a variety of sectors and to prevent their brand images from being diluted. We believe that with the optimum utilization of our resources, we can have a diverse product portfolio catering to a sizeable client base.

Further development of our production infrastructure by setting up of a dedicated manufacturing facility

We continue to plan our capital expenditure carefully by focusing on growth avenues for our business. To support the expansion of our business network, we aim to expand our manufacturing facility in Dehradun, to house a dedicated facility for brand security solutions, labels and shrink sleeves to cater to our long-term growth in operations.

We believe this expanded manufacturing facility will support our planned scale of operations and help expand our business network and provide us significant long-term competitive and cost advantage. Further, in addition to expanding our manufacturing capacity, we intend to set up manufacturing facilities in western India, which we believe will help us achieve a pan-India presence and serve our customers more efficiently, besides improving our profit margins.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 178. and 292, respectively.

ZIRCON TECHNOLOGIES (INDIA) LIMITED
Annexure I - RESTATED CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES
(Rs. in Million unless otherwise stated)

	Particulars	As at 31st March 2018	As at 31st March 2017
ASSETS			
	Non-Current Assets		
(a)	Property, Plant & Equipment	594.75	493.41
(b)	Capital work-in-progress	0.00	20.14
(c)	Goodwill	6.02	6.65
(d)	Intangible assets	5.13	3.62
		605.90	**523.82**
(e)	Financial Assets		
	(i) Other financial assets	3.84	4.52
(f)	Deferred Tax Assets (Net)	23.98	19.01
(g)	Other Non-Current Assets	14.66	7.71
		42.48	**31.24**
	Current Assets		
(a)	Inventories	166.06	138.78
(b)	Financial Assets		
	(i) Trade Receivables	248.29	191.09
	(ii) Cash and Cash Equivalents	14.12	23.97
	(iii) Bank balances other than Note 11 above	21.65	9.12
	(iv) Other financial assets	3.52	11.85
(c)	Other Current Assets	25.46	26.18
		479.11	**400.99**
	TOTAL ASSETS	**1,127.48**	**956.05**
EQUITY AND LIABILITIES			
	Equity		
(a)	Equity Share Capital	88.62	88.62
(b)	Other Equity	109.07	45.15
	Total Equity	**197.69**	**133.77**
(c)	Non-controlling interests	0.23	0.12
		197.92	**133.89**
	Liabilities		
	Non-Current Liabilities		
(a)	Financial Liabilities:		
	(i) Borrowings	164.11	143.15
	(ii) Trade Payables	147.33	133.05
	(iii) Other Financial Liabilities	49.09	48.61
(b)	Other Non Current Liabilities	66.18	66.18
(c)	Provisions	0.86	0.66
		427.57	**391.65**
	Current Liabilities		
(a)	Financial Liabilities:		
	(i) Borrowings	240.04	290.17
	(ii) Trade Payables		
	Total outstanding dues of Micro, small & medium enterprises	-	-
	Total outstanding dues of others	139.82	42.58
	(iii) Other Financial Liabilities	98.49	78.30
(b)	Other Current Liabilities	11.94	10.20
(c)	Provisions	0.09	0.04
(d)	Current Tax Liabilities (net)	11.61	9.23
		501.99	**430.52**
	TOTAL EQUITY & LIABILITIES	**1,127.48**	**956.05**

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE II- RESTATED CONSOLIDATED STATEMENT OF PROFIT & LOSS
(Rs. in Million unless otherwise stated)

	Particulars		For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
	INCOME			
I	Revenue from Operations (Gross)		959.69	945.92
II	Other income		2.71	40.22
III	Total Income	(I+II)	**962.41**	**986.14**
IV	**EXPENSES**			
	Cost of materials consumed		578.43	616.51
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress		7.05	(14.78)
	Excise Duty		18.92	73.92
	Employee benefits expense		57.90	43.11
	Finance costs		67.52	49.16
	Depreciation and Amortisation expense		23.03	47.82
	Other expenses		138.63	124.91
	Total expenses		**891.48**	**940.64**
V	Profit before Exceptional Items & Tax	(III-IV)	**70.93**	**45.50**
VI	Exceptional Items		-	-
VII	**Profit before Tax and Pre acquisition profit**	(V-VI)	**70.93**	**45.50**
	Preacquisition Profit		-	**3.41**
	Profit before Tax		**70.93**	**42.09**
VIII	Tax expense			
	(1) Current tax		12.20	9.64
	(2) Deferred tax expense		6.00	14.65
	(3) Tax Credit Entitlement		(11.08)	(6.22)
	(4) Income tax for earlier years (net)		0.00	0.00
IX	**Profit for the Year**	(VII-VIII)	**63.81**	**24.02**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligation		0.34	1.37
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Tax impact on Remeasurement of defined benefit obligation		(0.12)	(0.47)
	Other Comprehensive Income for the Year (Net of Tax)		**0.22**	**0.89**
XI	**Total Comprehensive Income for the Year**	(IX+X)	**64.03**	**24.91**
	Profit/(loss) for the year attributable to:			
	- Owner of the Company		63.70	24.02
	- Non-controlling interest		0.11	0.00
			63.81	**24.02**
	Other Comprehensive income for the year attributable to:			
	- Owner of the Company		0.22	0.88
	- Non-controlling interest		0.00	0.01
			0.22	**0.89**
	Total Comprehensive income for the year attributable to:			
	- Owner of the Company		63.92	24.90
	- Non-controlling interest		0.11	0.01
			64.03	**24.91**
	Earning per Share			
	(Nominal value of share Rs. 10)			
	(1) Basic		**4.31**	**1.63**
	(2) Diluted		**4.31**	**1.63**

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE III- RESTATED CONSOLIDATED STATEMENT OF CASH FLOW
(Rs. in Million unless otherwise stated)

	Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A.	**Cash flow from operating activities**		
	Profit before tax	70.93	42.09
	Adjustments for :		
	Depreciation and amortisation expense	23.03	47.82
	Interest on borrowings	57.46	49.16
	(Gain)/Loss on Exchange fluctuation on borrowings	1.69	(0.08)
	Loss on sale of Property, Plant & Equipment	0.81	2.11
	Provision for Doubtful debts	4.80	0.00
	Interest on Margin Money	(1.98)	(1.62)
	Government Grant	0.19	(0.21)
	Unfolding of Security Deposit	(0.12)	(0.10)
	Gain on Remeasurement of Financial Liability	9.28	(36.95)
		166.09	**102.22**
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(27.29)	(24.67)
	Trade receivables	(61.00)	(14.39)
	Other current assets	(0.27)	(17.65)
	Other current financial assets	8.33	(3.11)
	Other non-current financial assets	0.80	0.14
	Other non current assets	(6.95)	14.16
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	95.55	(156.01)
	Non Current Trade payables	5.00	170.00
	Current Provisions	0.05	(0.06)
	Other current liabilities	1.74	0.37
	Non Current Provisions	0.53	0.15
	Other non current liabilities	(0.18)	0.36
	Cash generated from operating activities	**182.41**	**71.50**
	Current taxes paid (net)	(9.82)	(8.59)
	Net cash generated from/ (used in) operating activities	**172.59**	**62.91**
B.	**Cash flow from investing activities**		
	Capital expenditure on property, plant & equipment	(126.35)	(203.09)
	(Increase)/Decrease in Capital Work in Progress	20.14	(15.50)
	Sale proceeds of property, plant and equipment	0.29	2.27
	Margin Money	(12.54)	20.13
	Interest on Fixed Deposit / Margin Money	1.98	1.62
	Net cash generated from/(used in) investing activities	**(116.48)**	**(194.57)**
C.	**Cash flow from financing activities**		
	Interest paid	(57.46)	(49.16)
	(Repayment) / proceeds from Current Borrowings	(50.13)	85.03
	(Repayment) / proceeds from non Current financial Borrowings	20.96	24.68
	Non Controlling Interest on Acquisition	-	0.12
	Current financial liabilities	20.19	28.82
	Non current financial liabilities	0.48	48.61
	Net cash generated from/(used in) financing activities	**(65.96)**	**138.10**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(9.85)**	**6.44**
	Cash and cash equivalents at the beginning of the year	23.97	17.54
	Cash and cash equivalents at the end of year	**14.12**	**23.97**

ZIRCON TECHNOLOGIES (INDIA) LIMITED
Annexure I - RESTATED STANDALONE STATEMENT OF ASSETS & LIABILITIES
(Rs. in Million unless otherwise stated)

	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016 Proforma Ind AS	As at 31st March 2015 Proforma Ind AS	As at 31st March 2014 Proforma Ind AS
ASSETS						
	Non-Current Assets					
(a)	Property, Plant & Equipment	521.45	484.70	348.72	374.00	326.84
(b)	Capital work-in-progress	-	18.11	4.64	0.45	-
(c)	Intangible assets	5.13	3.62	4.07	4.75	3.33
		526.58	506.43	357.43	379.20	330.17
(d)	Financial Assets					
	(i) Investment in Partnership firm	44.28	37.30	-	-	-
	(ii) Other financial assets	3.64	4.33	4.56	3.08	2.33
(e)	Deferred Tax Assets (Net)	27.88	18.89	27.79	23.98	11.18
(f)	Other Non-Current Assets	14.53	7.43	21.87	5.27	0.08
		90.32	67.95	54.22	32.33	13.59
	Current Assets					
(a)	Inventories	140.48	127.54	114.11	90.03	68.15
(b)	Financial Assets					
	(i) Trade Receivables	191.48	172.03	176.70	134.69	102.74
	(ii) Cash and Cash Equivalents	10.79	7.41	17.54	11.07	30.72
	(iii) Bank balances other than Note 13 above	9.66	9.12	29.25	38.32	25.57
	(iv) Other financial assets	3.47	10.95	8.74	1.40	2.48
(c)	Other Current Assets	10.37	25.41	8.53	16.87	16.62
		366.24	352.45	354.86	292.39	246.27
	TOTAL ASSETS	**983.15**	926.83	766.51	703.91	590.03
EQUITY AND LIABILITIES						
	Equity					
(a)	Equity Share Capital	88.62	88.62	22.16	22.16	22.16
(b)	Other Equity	112.76	44.99	86.55	56.86	56.93
		201.38	133.61	108.70	79.02	79.09
	Liabilities					
	Non-Current Liabilities					
(a)	Financial Liabilities:					
	(i) Borrowings	158.02	143.15	118.47	142.30	64.68
	(ii) Trade Payables	128.22	133.05	-	-	-
	(iii) Other Financial Liabilities	-	48.61	-	-	77.00
(b)	Other Non Current Liabilities	66.18	66.18	66.02	66.25	52.38
(c)	Provisions	0.68	0.66	1.88	1.21	0.94
		353.10	391.65	186.37	209.75	195.00
	Current Liabilities					
(a)	Financial Liabilities:					
	(i) Borrowings	214.24	276.46	205.15	189.43	166.95
	(ii) Trade Payables					
	Total outstanding dues of Micro, small & medium enterprises	-	-	-	-	-
	Total outstanding dues of others	101.36	36.04	198.71	165.72	100.06
	(iii) Other Financial Liabilities	89.58	70.51	49.48	45.77	39.47
(b)	Other Current Liabilities	11.74	9.71	9.83	7.79	9.27
(c)	Provisions	0.08	0.04	0.10	0.02	0.03
(d)	Current Tax Liabilities (Net)	11.67	8.82	8.17	6.42	0.16
		428.67	401.57	471.44	415.15	315.94
	TOTAL EQUITY & LIABILITIES	**983.15**	926.83	766.51	703.91	590.03

ZIRCON TECHNOLOGIES (INDIA) LIMITED

ANNEXURE II- RESTATED STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED

(Rs. in Million unless otherwise stated)

	Particulars		31st March, 2018	31st March, 2017	31st March, 2016 Proforma Ind AS	31st March, 2015 Proforma Ind AS	31st March, 2014 Proforma Ind AS
	INCOME						
I	Revenue from Operations (Gross)		819.51	865.40	819.67	611.97	467.38
II	Other income		1.79	40.94	11.17	4.86	3.42
III	Total Income	(I+II)	**821.30**	**906.34**	**830.84**	**616.82**	**470.80**
IV	**EXPENSES**						
	Cost of materials consumed		474.64	548.98	544.88	416.56	290.33
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress		3.26	(3.54)	(18.03)	(10.72)	12.39
	Excise Duty		18.92	73.92	44.50	22.21	14.96
	Employee benefits expense		45.31	37.24	43.97	39.72	30.07
	Finance costs		70.05	48.43	39.07	32.92	35.24
	Depreciation and Amortisation expense		21.49	47.04	42.92	42.29	34.38
	Other expenses		128.06	112.71	98.97	79.46	62.34
	Total expenses		**761.72**	**864.77**	**796.27**	**622.44**	**479.72**
V	**Profit/(Loss) before Exceptional Items & Tax**	(III-IV)	59.58	41.57	34.57	(5.61)	(8.92)
VI	Exceptional Items		-	-	-	-	-
VII	**Profit/(Loss) before Share from partnership firm and tax**	(V-VI)	59.58	41.57	34.57	(5.61)	(8.92)
	Share from Partnership firm		11.11	0.11	-	-	-
VIII	**Profit/(Loss) Before Tax**		**70.69**	**41.68**	**34.57**	**(5.61)**	**(8.92)**
IX	Tax expense:						
	(1) Current tax		12.20	9.23	8.87	7.18	0.91
	(2) Deferred tax		1.99	14.65	2.77	(6.16)	6.62
	(3) Tax Credit Entitlement		(11.08)	(6.22)	(6.63)	(6.60)	(0.87)
X	**Profit/(Loss) for the Year**	(VIII-IX)	**67.58**	**24.02**	**29.57**	**(0.03)**	**(15.58)**
XI	**Other Comprehensive Income**						
	(i) Items that will not be reclassified to profit or loss						
	Remeasurement of Benefit benefit obligation		0.29	1.37	0.17	(0.14)	0.34
	(ii) Income tax relating to items that will not be reclassified to profit or loss						
	Tax Impact on Remeasurement of Defined benefit obligation		(0.10)	(0.47)	(0.05)	0.04	(0.11)
	Other Comprehensive Income/ (Expense) for the Year (Net of Tax)		0.19	0.89	0.11	(0.09)	0.23
	Total Comprehensive Income/(Expense) for the Year	(X+XI)	**67.77**	**24.91**	**29.68**	**(0.13)**	**(15.35)**
	Earning per Share						
	(Nominal value of share Rs. 10)						
	(1) Basic		4.58	1.63	2.00	(0.00)	(1.11)
	(2) Diluted		4.58	1.63	2.00	(0.00)	(1.11)

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE III- RESTATED STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED
(Rs. in Million unless otherwise stated)

	Particulars	31 March, 2018	31 March, 2017	31 March, 2016 Proforma Ind AS	31 March, 2015 Proforma Ind AS	31 March, 2014 Proforma Ind AS
A	**Cash flow from operating activities**					
	Profit before tax	70.69	41.68	34.57	(5.61)	(8.92)
	Adjustments for :					
	Depreciation and amortisation expense	21.49	47.04	42.92	42.35	34.38
	Interest on borrowings	54.88	48.43	39.07	32.92	35.24
	(Gain) /Loss on Exchange fluctuation on borrowings	1.71	(0.08)	(1.23)	(0.69)	0.21
	Loss on sale of Property, Plant & Equipment	0.81	2.11	-	-	0.01
	Provision for Doubtful debts and advances	4.80	-	-	-	-
	Bad Debts	0.12	-	0.30	1.21	0.38
	Interest on Margin Money	(1.43)	(1.62)	(2.93)	(2.84)	(2.18)
	Government Grant	(0.19)	(0.21)	(0.23)	(0.25)	(0.36)
	Gain/(Loss) on unfolding of Security Deposit	(0.12)	(0.10)	0.66	-	-
	Loss/(Gain) on Remeasurement of Financial Liability	15.17	(36.95)	-	-	-
	Profit from investment in partnership firm	(11.11)	(0.11)	-	-	-
		156.81	**100.19**	**113.14**	**67.08**	**58.75**
	Changes in working capital					
	Adjustments for (increase) / decrease in operating assets:					
	Inventories	(12.94)	(13.43)	(24.07)	(21.88)	(17.45)
	Trade receivables	(23.37)	4.67	(42.32)	(33.16)	(34.43)
	Other current assets	14.04	(16.88)	8.34	(0.25)	(7.34)
	Other current financial assets	7.48	(2.21)	(7.34)	1.07	(0.86)
	Other non-current financial assets	0.81	0.33	(2.14)	(0.75)	(0.23)
	Other non current assets	(7.10)	14.45	(16.61)	(5.19)	13.22
	Adjustments for increase / (decrease) in operating liabilities:					
	Trade payables Current	63.61	(162.59)	34.23	66.34	79.67
	Trade payables Non Current	(20.00)	170.00	-	-	-
	Current Provisions	0.05	(0.06)	0.08	(0.01)	0.03
	Other current liabilities	2.03	(0.12)	2.04	(1.48)	2.28
	Other Non Current Liabilities	0.19	0.36	(0.00)	14.12	26.54
	Non Current Provisions	0.31	0.15	0.83	0.13	0.07
	Cash generated from operating activities	**181.93**	**94.86**	**66.19**	**86.03**	**120.25**
	Current taxes paid (net)	(9.35)	(8.59)	(7.11)	(0.92)	(3.58)
	Net cash generated from/ (used in) operating activities	**172.58**	**86.27**	**59.08**	**85.11**	**116.67**
B.	**Cash flow from investing activities**					
	Capital expenditure on property, plant and equipment	(60.56)	(186.95)	(16.96)	(90.87)	(133.22)
	Decrease/(Increase) in Capital Work in progress	18.11	(13.47)	(4.18)	(0.45)	-
	Sale proceeds of property, plant and equipment	-	2.27	-	-	0.03
	Investment	(6.97)	(37.30)	-	-	-
	Margin Money	(0.54)	20.13	9.07	(12.75)	(1.66)
	Interest on Fixed Deposit / Margin Money	1.43	1.62	2.93	2.84	2.18
	Profit from investment in partnership firm	11.11	0.11	-	-	-
	Net cash generated from/(used in) investing activities	**(37.43)**	**(213.60)**	**(9.15)**	**(101.23)**	**(132.67)**
C.	**Cash flow from financing activities**					
	Interest paid	(54.88)	(48.43)	(39.07)	(32.92)	(35.24)
	Proceeds from issue of share	-	-	-	-	6.95
	(Repayment) / proceeds from Current Borrowings	(62.22)	71.31	15.72	22.48	16.19
	(Repayment) / proceeds from non Current financial Borrowings	14.87	24.68	(23.83)	77.61	(21.11)
	Current financial liabilities	19.06	21.03	3.71	6.30	(11.24)
	Non Current financial liabilities	(48.61)	48.61	-	(77.00)	77.00
	Net cash generated from/(used in) financing activities	**(131.78)**	**117.20**	**(43.47)**	**(3.53)**	**32.55**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**3.38**	**(10.13)**	**6.46**	**(19.65)**	**16.55**
	Cash and cash equivalents at the beginning of the year	7.41	17.54	11.07	30.72	14.17
	Cash and cash equivalents at the end of year	**10.79**	**7.41**	**17.54**	**11.07**	**30.72**

THE ISSUE

The following table summarizes the details of the Issue:

Particulars	Details of Equity Shares
Issue[(1)]	**Up to 5,900,000 Equity Shares aggregating to ₹ [●] million**
Of which:	
(a) QIB Portion	Not less than [●] Equity Shares, aggregating up to ₹ [●] million
Of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion i.e., balance available for allocation to QIBs other than Anchor Investors (assuming the Anchor Investor Portion is fully subscribed).	[●] Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
(b) Non – Institutional Portion	Not more than [●] Equity Shares
(c) Retail Portion	Not more than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	14,770,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Utilisation of Net Proceeds	See "*Objects of the Issue*" on page 85 for information about the use of the proceeds from the Issue.

**Our Company may, in consultation with the BRLM, allocate up to 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 or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on proportionate basis to Mutual Funds only, and the remainder of the Net QIB 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. However, if aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionally to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Issue Procedure - Basis of Allotment" beginning on page 391.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

Allocation to all categories and Retail Individual Investors, except the Anchor Investor Portion, shall be made on a proportionate basis. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For details, see "Issue Procedure" on page 355. For details, including *in relation to grounds for rejection of Bids, refer to "Issue Structure" and "Issue Procedure" on page 352 and 355, respectively. For details of the terms of the Issue, see "Terms of the Issue" on page 347.*

(1) The Issue has been authorized by our Board pursuant to its resolution dated August 30, 2018, and by our Shareholders pursuant to their resolution dated September 10, 2018.

GENERAL INFORMATION

Our Company was incorporated as '*Zircon Pharma Impex Private Limited*' on February 16, 1999 at Delhi as a private limited company, under the Companies Act, 1956. Pursuant to a special resolution passed by our shareholders dated January 3, 2003, the name of our Company was changed to "*Zircon Technologies Private Limited*' and a fresh certificate of incorporation was issued by the RoC on January 23, 2003. Subsequently, pursuant to a special resolution passed by our Shareholders dated March 31, 2008, our Company was converted into a public limited company and the name of our Company was changed to '*Zircon Technologies Limited*' and a fresh certificate of incorporation was issued by the RoC on May 27, 2008. Thereafter, pursuant to a special resolution passed by our shareholders dated June 5, 2008, the name of our Company was changed to '*Zircon Technologies (India) Limited*' and a fresh certificate of incorporation was issued by the RoC on July 15, 2008. For further details, including details of change in registered office of our Company, see "*History and Certain Corporate Matters*" on page 144.

Registered Office

Zircon Technologies (India) Limited
No. 2B-1226
GD Colony
Mayur Vihar, Phase – III
New Delhi – 110 096,
Delhi, India.
Telephone: +91 11 2262 5772
Fax: Not available
Email: contact@zircontech.com
Website: www.zircontech.com
CIN: U51397DL1999PLC098428

Corporate Office

Zircon Technologies (India) Limited
Khasra No. 1017, 1019, 1021
Camp Road (Behind Selaqui Hotel)
Selaqui, Dehradun – 248 197
Uttarakhand, India
Telephone: +91 13 5269 8156
Fax: +91 13 5269 8330

Address of the RoC

Our Company is registered with the Registrar of Companies, NCT of Delhi & Haryana, which is situated at the following address:

4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi 110 019,
Delhi, India.

Board of Directors

The following table sets out the brief details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Tilak Raj Sondhi	Chairman and Non-Executive Director	01165887	E-703, Pavitra Apartments, Vasundhara Enclave, Mayur Vihar, Phase – III, East Delhi – 110096, Delhi, India.

Name	Designation	DIN	Address
Sanjeev Sondhi	Managing Director	01053263	E-703, Pavitra Apartments, Vasundhara Enclave, Mayur Vihar, Phase – III, East Delhi – 110096, Delhi, India.
Poonam Sondhi	Executive Director	01053297	E-703, Pavitra Apartments, Vasundhara Enclave, Mayur Vihar, Phase – III, East Delhi – 110096, Delhi, India.
Ashwani Kumar Punn	Independent Director	08161653	Block C4-B, Pocket 13, Flat No. 248 Janakpuri, B-1, S. O West, Delhi -110058, Delhi, India.
Shailendra Sharma	Independent Director	08164427	GH 9/259, Paschim Vihar, New Delhi -110087, Delhi, India.
Pramod Agarwal	Independent Director	00066989	1518 A, The Magnolias, DLF Golf Link Road, DLF City, Phase-5, Gurugram – 122 009, Haryana, India.

For brief profiles and further details of our Directors, please see *"Our Management"* on page 154.

Chief Financial Officer

Pitamber Mishra
Khasra No. 1017, 1019, 1021,
Camp Road (Behind Selaqui Hotel),
Selaqui, Dehradun – 248 197,
Uttarakhand, India
Telephone: +91 13 5269 8158
Fax: +91 13 5269 8330
E-mail: cfo@zircontech.com

Company Secretary and Compliance Officer

Akansha Sharma
Khasra No. 1017, 1019, 1021,
Camp Road (Behind Selaqui Hotel),
Selaqui, Dehradun – 248 197,
Uttarakhand, India
Telephone: +91 13 5269 8156
Fax: +91 13 5269 8330
E-mail: cs@zircontech.com

Investor Grievances

Bidders may contact the Company Secretary and Compliance Officer, the BRLM, the Registrar to the Issue or the respective SCSBs in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, non-receipt of refund orders (in case of Anchor Investors), non-credit of Allotted Equity Shares in the respective beneficiary account or unblocking of funds, non-receipt of funds by electronic mode etc. For all Issue related queries and for redressal of complaints, Bidders may also write to the BRLM, in the manner provided below.

All grievances relating to the ASBA process 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 Investor should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, address of the Investor, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM with whom the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Issue. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Book Running Lead Manager

Systematix Corporate Services Limited
The Capital, A Wing, 603-606,
6th Floor, Plot No. C-70,
G Block, Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051,
Maharashtra, India
Telephone: +91 22 6704 8000
Fax: +91 22 6704 8022
E-mail: zircon@systematixgroup.in
Website: www.systematixgroup.in
Investor grievance E-mail: zircon@systematixgroup.in
Contact Person: Amit Kumar
SEBI Registration No: INM000004224

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083,
Maharashtra, India
Telephone: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: zircon.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance E-mail: zircon.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

Legal Counsel to the Issue as to Indian Law

M/s. Crawford Bayley & Co.
4th Floor, State Bank Buildings
N.G.N. Vaidya Marg, Fort
Mumbai 400 023
Maharashtra, India
Telephone: +91 22 2266 3353
Fax: +91 22 2266 3978
E-mail: sanjay.asher@crawfordbayley.com

Special Purpose International Legal Counsel to the Book Running Lead Manager

Squire Patton Boggs Singapore LLP
10 Collyer Quay

#03-01/03 Ocean Financial Centre
Singapore 049315
Telephone: +65 6922 8668
Fax: +65 6922 8650

Statutory Auditors to our Company

Singhi & Co.,
Chartered Accountants
Unit No. 1704, 17th Floor, Tower - B,
World Trade Tower, DND Flyway,
C-01, Sector - 16,
Noida 201 301, Gautambudh Nagar,
Uttar Pradesh, India;
Telephone: +91 12 0256 4657;
Fax: +91 12 0297 0005;
Email: blchoraria@singhico.com;
Contact Person: B.L. Choraria
Membership No.: 022973
Firm Registration No.: 302049E
Peer review number: 009167

Banker to our Company

Bank of India
11-BC, Rajpur Road,
Dehradun – 248 001,
Uttarakhand, India;
Telephone: +91 13 5265 7374;
Fax No.: Not available;
Email: dehradun.dehradun@bankofindia.co.in;
Website: www.bankofindia.com;
CIN: U9999MH1906PLC000243;
Contact Person: Amarjeet Singh Bhakuni

Banker(s) to the Issue/ Escrow Collection Bank/ Refund Bank

[●]

Syndicate Members

[●]

Designated Intermediaries

Self-certified Syndicate Banks

The list of SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other websites as updated or prescribed by SEBI from time to time. For a list of the Designated Branches which shall collect ASBA Forms from the Bidders and Designated Intermediaries, please refer to the above-mentioned link.

Syndicate SCSB Branches

In relation to Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the members of Syndicate at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35).

Registered Brokers

Bidders could submit ASBA Forms in the Issue using the stock broker network of the Stock Exchanges, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of BSE and NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and, https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, or such other website as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone numbers, and e-mail address, are provided on the websites the BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of the BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Expert

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

Singhi & Co., Chartered Accountants have given their consent to include their name as Statutory Auditors of the Company and as an "expert" defined under section 2(38) of the Companies Act, 2013 in respect of their reports, on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, both dated September 12, 2018 included in this Draft Red Herring Prospectus and report dated September 15, 2018 on Statement of special tax benefits available to our Company and its shareholders, which have been included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and consent thereof does not represent an "expert" within the meaning under the Securities Act.

Monitoring Agency

As the Issue is not in excess of ₹ 1,000 million, we are not required to appoint a monitoring agency in accordance with the terms of Regulation 16(1) of the SEBI ICDR Regulations.

Credit Rating

As the proposed Issue is of Equity Shares, the appointment of a credit rating agency is not required.

Inter-se Allocation of responsibilities

Systematix Corporate Services Limited being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue being the following activities:

Sr. No.	Activity
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy
2.	Pre-Issue due diligence of the Company including its operations/management/business plans/legal etc., drafting and design of DRHP, RHP and Prospectus, ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing
3.	Drafting and approval of all statutory advertisements
4.	Drafting and approval of publicity material other than statutory advertisements, including corporate advertising, brochures, etc.
5.	Appointment of Registrar to the Issue, Printers, Banker(s) to the Issue, Advertising agency (including co-ordinating all agreements to be entered with such parties)
6.	Preparation of roadshow presentation and FAQs for the roadshow team
7.	International institutional marketing of the Issue, which will cover, *inter alia*: • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules
8.	Domestic institutional marketing of the Issue, which will cover, *inter alia*: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules
9.	Conduct non-institutional marketing of the Issue
10.	Conduct retail marketing of the Issue, which will cover, *inter-alia*: • Finalizing media, marketing, public relations strategy and publicity budget • Finalizing collection centres • Finalizing centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Issue material including form, RHP/Prospectus and deciding on the quantum of the Issue material
11.	Co-ordination with Stock-Exchanges for book building software, bidding terminals and mock trading.
12.	Coordination with Stock Exchanges for deposit of 1% security deposit.
13.	Managing the book and finalization of pricing in consultation with the Company
14.	Post-Bidding activities – management of escrow accounts, coordinating underwriting, co-ordination of non-institutional allocation, finalization of the basis of allotment based on technical rejections, listing of instruments, announcement of allocation and dispatch of refunds to Bidders, etc, payment of the applicable securities transaction tax, co-ordination with SEBI and stock exchanges for refund of 1% security deposit.

Grading of the Issue

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

Trustees

As this is an issue of Equity Shares, appointment of trustees is not required.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot size will be decided by our Company in consultation with the BRLM and advertised in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), 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 on their website.

The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. The BRLM;
3. The Syndicate Members;
4. The Registrar to the Issue;
5. The Escrow Collection Bank;
6. The SCSBs;
7. The CDPs;
8. The RTAs; and
9. The Registered Brokers

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), 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 ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net 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 Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Issue cannot be Allotted to QIBs, all the application monies will be refunded/ unblocked forthwith. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA Process. For details, see "*Issue Procedure*" on page 355.

In accordance with the SEBI ICDR Regulations, QIB Bidders (other than Anchor Investors) Bidding in the QIB Portion and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. By submitting a Bid, each Bidder will be deemed to have acknowledged the above restrictions and the terms of the Issue.

For further details, see "*Issue Structure*" and "*Issue Procedure*" on pages 352 and 355 respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to the Issue. In this regard, our Company has appointed the BRLM to manage the Issue and procure Bids for the Issue.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note the 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 approval of the RoC after the Prospectus is registered with the RoC.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see "*Issue Procedure*" on page 355.
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions stated in this Draft Red Herring Prospectus, the Red Herring Prospectus and in the respective form;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular number MRD/DoP/Cir-20/2008, dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular number MRD/DoP/Dep/Cir-09/06, dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders (including without limitation, multilateral/ bilateral institutions) which are exempted, or may be exempted 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. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see "*Issue Procedure*" on page 355). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants‖ verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your PAN, DP ID, and Client ID and beneficiary account number given in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc., and the Stock Exchanges will validate the electronic Bid details with the Depositories records for PAN, DP ID and Client ID;
- Ensure correctness of your Demographic Details such as the address, the bank account details, occupation given in the Bid cum Application Form, with the details recorded with your Depository Participant;
- Bids by Bidders will have to be submitted to the Designated Intermediaries in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. Bidders should ensure that the ASBA Accounts have an adequate credit balance at the time of submission of the ASBA Forms to the Designated Intermediaries to ensure that the ASBA Form submitted by the Bidders is not rejected.
- Bids by all Bidders (except Anchor Investors) shall be submitted only through the ASBA process.

For further details, see "*Issue Procedure*" on page 355.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Issue Procedure – Part B – Basis of Allocation*" on page 389.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the registration of the Prospectus with the RoC, our Company intends to enter into the Underwriting Agreement with the Underwriters for the Equity Shares. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number, fax number and email of the Underwriters	Indicative Number of the Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

This table has been intentionally left blank and would be finalized after pricing and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations and will be filled in before filing of the Prospectus with the RoC.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the BRLM and the Syndicate Members shall be severally and not jointly responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers or subscribe to Equity Shares to the extent of the defaulted amount in accordance with and subject to the terms of the Underwriting Agreement. The underwriting arrangement stated above shall not apply to the applications by the ASBA Bidders in the Issue, except for ASBA Bids procured by any member of the Syndicate. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Red Herring Prospectus, is set forth below:

(₹ in million, except share data)

		Aggregate nominal value	Aggregate value at Issue Price[1]
A)	**AUTHORISED SHARE CAPITAL**		
	21,000,000 Equity Shares	210.00	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	14,770,000 Equity Shares	147.70	
C)	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS[2]**		
	Up to 5,900,000 Equity Shares	59.00	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		Nil
	After the Issue		[●]

1) *To be finalized upon determination of the Issue Price.*
2) *The Issue has been authorized by a resolution of our Board of Directors in their meeting held on August 30, 2018 and a resolution of our Shareholders in their Annual General Meeting held on September 10, 2018.*

Changes in our Authorised Share Capital

For details in relation to the changes in the authorized share capital of our Company, see "*History and Certain Corporate Matters – Amendments to our Memorandum of Association*" on page 145.

Notes to Capital Structure

1. Share capital history

History of Equity Share capital of our Company

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

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
February 18, 1999	20	100	100	Cash	Subscription to the Memorandum[1)]	20	2,000
Pursuant to a resolution of our Shareholders dated February 18, 1999, the Equity Shares of face value ₹ 100 each were sub-divided into the Equity Shares of face value of ₹ 10 each and subsequently 20 Equity Shares of face value ₹ 100 each were sub-divided into 200 Equity Shares of the face value of ₹ 10 each.							
February 18, 1999	-	10	-	-	Subdivision of the face value of Equity Shares from ₹	200	2,000

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
					100 each to ₹ 10 each		
November 20, 2002	10,000	10	10	Cash	Rights issue[2)]	10,200	1,02,000
March 31, 2005	100,000	10	10	Cash	Rights issue[3)]	110,200	1,102,000
February 28, 2006	195,000	10	10	Other than cash	Allotment pursuant to the acquisition of M/s. Zircon Tech and Services[4)]	305,200	4,802,000
February 28, 2006	175,000	10	10	Cash	Rights issue[5)]	480,200	2,852,000
October 31, 2006	110,000	10	10	Cash	Rights issue[6)]	590,200	5,902,000
March 31, 2008	40,300	10	10	Cash	Rights issue[7)]	630,500	6,305,000
September 1, 2008	55,000	10	10	Cash	Preferential issue[8)]	685,500	6,855,000
March 31, 2010	150,000	10	10	Cash	Rights issue[9)]	835,500	8,355,000
December 1, 2010	510,000	10	10	Cash	Preferential issue[10)]	1,345,500	13,455,000
March 31, 2013	40,000	10	10	Cash	Rights issue[11)]	1,385,500	13,855,000
January 27, 2014	380,000	10	10	Cash	Preferential issue[12)]	1,765,500	17,655,000
March 20, 2014	450,000	10	10	Cash	Preferential Issue[13)]	2,215,500	22,155,000
March 31, 2017	6,646,500	10	-	-	Bonus Issue in the ratio of 3:1[14)]	8,862,000	88,620,000
July 12, 2018	5,908,000	10	-	-	Bonus Issue in the ratio of 2:3[15)]	14,770,000	147,700,000

1) *Allotment of 10 Equity Shares each to Tilak Raj Sondhi and to Anjana Sondhi.*
2) *Allotment of 9,000 Equity Shares to Poonam Sondhi and 1,000 Equity Shares to Sanjeev Sondhi.*
3) *Allotment of 100,000 Equity Shares to Poonam Sondhi, proprietor of M/s. Zircon Tech and Services.*
4) *Allotment of 195,000 Equity Shares to Poonam Sondhi pursuant to the acquisition of M/s. Zircon Tech and Services.*
5) *Allotment of 175,000 Equity Shares to Sanjeev Sondhi.*
6) *Allotment of 25,000 Equity Shares each to U.P. Electrical Limited and FNS Consultancy Private Limited, and 20,000 Equity Shares each to Webnet Systems (I) Private Limited, Monisha Granite Limited and B. Finlease (I) Private Limited respectively.*
7) *Allotment of 40,000 Equity Shares to Sanjeev Sondhi, and 100 Equity Shares each to Mamta Vig, Prem Lata and Yashvir Singh Manrai respectively.*
8) *Allotment of 55,000 Equity Shares to Sanjeev Sondhi.*
9) *Allotment of 150,000 Equity Shares to Sanjeev Sondhi.*
10) *Allotment of 510,000 Equity Shares to Sanjeev Sondhi.*
11) *Allotment of 40,000 Equity Shares to Sanjeev Sondhi.*

12) Allotment of 380,000 Equity Shares to Sanjeev Sondhi.
13) Allotment of 450,000 Equity Shares to Sanjeev Sondhi.
14) Allotment of 6,646,500 Equity Shares pursuant to capitalization of ₹ 66,465,000 out of the free reserves of our Company, to holders of Equity Shares as on March 23, 2017.
15) Allotment of 5,908,000 Equity Shares pursuant to capitalization of ₹ 59,080,000 out of the free reserves of our Company, to holders of Equity Shares as on July 12, 2018.

2. As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.

3. Issue of Equity Shares for consideration other than cash or through bonus or out of revaluation reserves

Our Company has not issued any Equity Shares for consideration other than cash or bonus at any time since incorporation except as set forth below. Further, none of the issuance of equity shares through a bonus issue is out of revaluation reserve.

Date of allotment/date when fully paid up	Number of Equity Shares	Face value (₹)	Persons to whom the Equity Shares were allotted	Reasons for allotment	Benefits accrued to our Company
February 28, 2006	195,000	10	Poonam Sondhi	Allotment pursuant to the acquisition of M/s. Zircon Tech and Services. For further details, see "*History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations, revaluation of assets / shareholders' agreements*" on page 150.	Transfer of the business of M/s. Zircon Tech and Services on a going concern basis, to our Company.
March 31, 2017	6,646,500	10	All existing Shareholders of our Company as on the record date being March 23, 2017	Bonus issue in the ratio 3:1*	Not Applicable
July 12, 2018	5,908,000	10	All existing Shareholders of our Company as on the record date being July 3, 2018	Bonus issue in the ratio 2:3**	Not Applicable

** Allotment of 6,633,000 Equity Shares to Sanjeev Sondhi, 12,000 Equity Shares to Poonam Sondhi, 300 Equity Shares to Tilak Raj Sondhi, 300 Equity Shares to Anjana Sondhi, 600 Equity Shares to Prem Lata and 300 Equity Shares to Mamta Vig pursuant to capitalisation of ₹ 66,465,000 out of the free reserves of our Company, to the holders of Equity Shares as at March 23, 2017.*
*** Allotment of 5,896,000 Equity Shares to Sanjeev Sondhi, 10,670 Equity Shares to Poonam Sondhi, 266 Equity Shares to Tilak Raj Sondhi, 266 Equity Shares to Anjana Sondhi, 266 Equity Shares to Prem Lata, 266 Equity Shares to Mamta Vig and 266 Equity Shares to Rajeev Kumar Manrai pursuant to capitalisation of ₹ 59,080,000 out of the free reserves of our Company, to the holders of Equity Shares as at July 3, 2018.*

For further details, see "*Capital Structure – Notes to Capital Structure –1. Share Capital History*" on page 74.

4. Issue of Equity Shares in the last two preceding years

For details of issue of Equity Shares by our Company in the last two preceding years, see "*Capital Structure – Notes to Capital Structure –Share Capital History – 1. Share Capital History*" on page 74.

5. History of build-up, Promoter's contribution and lock-in of Promoter's shareholding

As on the date of the Draft Red Herring Prospectus, our Promoter holds 1,47,40,000 Equity Shares, constituting 99.80% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoter's shareholding are set out below.

a. Build-up of Promoter's shareholding in our Company

Equity shareholding

Set forth below is the build-up of the equity shareholding of our Promoter, Sanjeev Sondhi, since incorporation of our Company:

Date of allotment / transfer	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue / acquisition price	Nature of transaction	% of the pre-Issue Equity Share capital	% of the post-Issue Equity Share capital
November 20, 2002	1,000	Cash	10	10	Rights issue	0.01	[●]
February 28, 2006	175,000	Cash	10	10	Rights issue	1.18	[●]
February 22, 2007	25,000	Cash	10	1	Transfer from U.P. Electrical Limited	0.17	[●]
February 22, 2007	25,000	Cash	10	1	Transfer from FNS Consultancy Private Limited	0.17	[●]
February 22, 2007	20,000	Cash	10	1	Transfer from Webnet Systems (I) Private Limited	0.14	[●]
February 22, 2007	20,000	Cash	10	1	Transfer from Monisha Granite Limited	0.14	[●]
February 22, 2007	20,000	Cash	10	1	Transfer from B. Finlease (I) Private Limited	0.14	[●]
March 31, 2008	40,000	Cash	10	10	Rights issue	0.27	[●]
September 1, 2008	55,000	Cash	10	10	Preferential issue	0.37	[●]

Date of allotment / transfer	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue / acquisition price	Nature of transaction	% of the pre-Issue Equity Share capital	% of the post-Issue Equity Share capital
September 11, 2008	300,000	Cash	10	10	Transfer from Poonam Sondhi	2.03	[●]
March 31, 2010	150,000	Cash	10	10	Rights issue	1.02	[●]
December 1, 2010	510,000	Cash	10	10	Preferential issue	3.45	[●]
March 31, 2013	40,000	Cash	10	10	Rights issue	0.27	[●]
January 27, 2014	380,000	Cash	10	10	Preferential issue	2.57	[●]
March 20, 2014	450,000	Cash	10	10	Preferential issue	3.05	[●]
March 31, 2017	6,633,000	-	10	-	Bonus Issue in the ratio of 3:1	44.91	[●]
July 12, 2018	5,896,000	-	10	-	Bonus Issue in the ratio of 2:3	39.92	[●]
Total	**14,740,000**					**99.80**	[●]

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoter are pledged.

b. Shareholding of our Promoter and other members of our Promoter Group

Provided below are details of Equity Shares held by our Promoter and the members of our Promoter Group as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	Percentage of pre-Issue capital (%)	No. of Equity Shares	Percentage of post-Issue capital (%)
Promoter					
1.	Sanjeev Sondhi	14,740,000	99.80	[●]	[●]
Subtotal (A)		**14,740,000**	**99.80**	**[●]**	**[●]**
Promoter Group					
2.	Poonam Sondhi	26,675	0.18	[●]	[●]
3.	Tilak Raj Sondhi	665	Negligible	[●]	[●]
4.	Anjana Sondhi	665	Negligible	[●]	[●]
5.	Prem Lata	665	Negligible	[●]	[●]
6.	Rajeev Kumar Manrai	665	Negligible	[●]	[●]
7.	Mamta Vig	665	Negligible	[●]	[●]
Subtotal (B)		**30,000**	**0.20**	**[●]**	**[●]**
Total (A)+ (B)		**14,770,000**	**100.00**		

All Equity Shares held by our Promoter and members of Promoter Group are in physical form as on the date of this Draft Red Herring Prospectus and will be dematerialized prior to the filing of the Red Herring Prospectus with the RoC.

c. Details of Promoter's contribution locked-in for three years

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue capital of our Company held by our Promoter shall be locked-in as minimum promoter's contribution for a period of three years from the date of Allotment ("**Promoter's Contribution**").

As on the date of this Draft Red Herring Prospectus, our Promoter holds 14,740,000 Equity Shares, constituting 99.80% of our Company's paid-up Equity Share capital, of which [●] Equity Shares, constituting [●]% of our Company's paid-up Equity Share capital, are eligible for Promoter's Contribution.

Our Promoter, Sanjeev Sondhi has, pursuant to his letter, dated September 10, 2018 given consent to include such number of Equity Shares held by him as may constitute 20% of the fully diluted post-Issue equity share capital of our Company as Promoter's Contribution and has agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter's Contribution from the date of this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations.

Details of the Equity Shares to be locked-in for three years as minimum Promoter's contribution are set forth in the table below:

Name of the Promoter	No. of Equity Shares locked-in	Date of transaction	Face value (₹)	Allotment / Acquisition price (₹)	Nature of transaction	% of the pre-Issue Equity Share capital	% of the post-Issue Equity Share capital
Sanjeev Sondhi	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Our Promoter has confirmed to our Company and the BRLM that the acquisition of the Equity Shares held by him and which will be locked-in as the Promoter's Contribution have been financed from personal funds/ internal accruals and no loans or financial assistance from any banks or financial institution has been availed for such purpose.

The Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in for computation of Promoter's Contribution are not, and will not be, ineligible under Regulation 33 of the SEBI ICDR Regulations. In particular, these Equity Shares do not, and shall not, consist of:

i. Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) resulting from bonus issuances of Equity Shares out of revaluations reserves or unrealised profits or against Equity Shares which are otherwise ineligible for computation of promoter's contribution;

ii. Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being issued to the public in the Issue;

iii. Equity Shares acquired on account of conversion of partnership firms in the last one year preceding the date of this Draft Red Herring Prospectus (given that our Company has not been formed as a result of such conversion); and

iv. Equity Shares held by the Promoter that are subject to any pledge.

6. Sales or purchases of Equity Shares or other specified securities of our Company by our Promoter, the other members of our Promoter Group or our Directors or their immediate relatives, or Directors of the members of the Promoter Group during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Our Promoter, other members of our Promoter Group, our Directors or their immediate relatives have not sold or purchased any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

7. Details of share capital locked-in for one year

a. In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by our Promoter and locked-in for three years as specified above, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment.

b. The Equity Shares held by the Promoter, which are locked-in may be transferred to and among the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

c. Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoter which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. The equity Shares locked in as “Promoter’s Contribution” may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the Objects of the Issue, and such pledge of the Equity Shares is one of the terms of the sanction of the loan.

d. The Equity Shares held by persons other than the Promoter and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

8. Our shareholding pattern

The table below represents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of partly paid-up equity shares (V)	No. of shares underlying Depository Receipts (VI)	Total No. Shares held (VII) = (IV) + (V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)			No. of shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI) =(VII)+(X) as a % of (A+B+C2)	Number of Locked in Shares (XII)		No. of shares pledge 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 % total shares held (b)	No. (a)	As a % total shares held (b)	
								Class eg: X	Total								
(A)	**Promoter & Promoter Group**	7	14,770,000	0	0	14,770,000	100	14,770,000	14,770,000	100	NA	NA	0	0	0	0	0
(B)	**Public**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C)	**Non Promoter – Non Public**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1)	**Shares underlying Custodian / Depository Receipts**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2)	**Shares held by Employee Trusts**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	**7**	**14,770,000**	**0**	**0**	**14,770,000**	**100**	**14,770,000**	**14,770,000**	**100**	**NA**	**NA**	**0**	**0**	**0**	**0**	**0**

9. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Other than as set forth below, none of the Directors and Key Managerial Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name	Director/ Key Managerial Personnel	No. of Equity Shares	Percentage of pre-Issue capital (%)
1.	Sanjeev Sondhi	Managing Director	14,740,000	99.80
2.	Poonam Sondhi	Executive Director	26,675	0.18
3.	Tilak Raj Sondhi	Chairman and Non-Executive Director	665	Negligible
4.	Rajeev Kumar Manrai	Vice President – Sales and Marketing	665	Negligible

10. **As on the date of this Draft Red Herring Prospectus, our Company has seven shareholders of Equity Shares.**

11. **Top 10 shareholders**

a) Currently, our Company has seven shareholders of Equity Shares. The number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares	Percentage of pre-Issue capital (%)
1.	Sanjeev Sondhi	14,740,000	99.80
2.	Poonam Sondhi	26,675	0.18
3.	Tilak Raj Sondhi	665	Negligible
4.	Anjana Sondhi	665	Negligible
5.	Prem Lata	665	Negligible
6.	Rajeev Kumar Manrai	665	Negligible
7.	Mamta Vig	665	Negligible
Total		**14,770,000**	**100.00**

b) As of 10 days prior to filing of this Draft Red Herring Prospectus, our Company had seven Shareholders of Equity Shares. The number of Equity Shares held by them as of ten days prior to filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares	Percentage of pre-Issue capital (%)
1.	Sanjeev Sondhi	14,740,000	99.80
2.	Poonam Sondhi	26,675	0.18
3.	Tilak Raj Sondhi	665	Negligible
4.	Anjana Sondhi	665	Negligible
5.	Prem Lata	665	Negligible
6.	Rajeev Kumar Manrai	665	Negligible
7.	Mamta Vig	665	Negligible
Total		**14,770,000**	**100.00**

c) As of two years prior to filing of this Draft Red Herring Prospectus, our Company had seven shareholders of Equity Shares. The number of Equity Shares held by them as of two years prior to filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of then issued, subscribed and paid-up equity share capital (%)
1.	Sanjeev Sondhi	2,211,000	99.80
2.	Poonam Sondhi	4,000	0.18
3.	Tilak Raj Sondhi	100	Negligible
4.	Anjana Sondhi	100	Negligible
5.	Prem Lata	100	Negligible
6.	Yashvir Singh Manrai	100	Negligible

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of then issued, subscribed and paid-up equity share capital (%)
7.	Mamta Vig	100	Negligible
Total		**2,215,500**	**100.00**

12. Our Company does not currently have any employee stock option scheme/ employee stock purchase scheme for our employees.

13. Our Company has not issued Equity Shares in one year immediately preceding the date of this Draft Red Herring Prospectus, at a price which may be lower than the Issue Price.

14. Our Company, our Directors or the BRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares or other specified securities of our Company.

15. Neither the BRLM nor its associates hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The BRLM and its affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

16. Except for Mutual Funds sponsored by entities related to the BRLM, Syndicate Members and any persons related to the BRLM or Syndicate Members cannot apply in the Issue under the Anchor Investor Portion. No person related to our Promoter or other members of the Promoter Group shall apply under the Anchor Investor Portion.

17. No person connected with the Issue, including, but not limited to, the BRLM, the Syndicate Members, our Company, Directors, Promoter or the members of our Promoter Group, shall issue in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

18. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

19. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

20. Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or provisions of Section 232 of the Companies Act, 2013.

21. Except for the Equity Shares to be allotted pursuant to the Issue, our Company presently does not intend or propose or is under negotiation or consideration to alter the capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares whether on a preferential basis or bonus or rights issue or further public offering or qualified institutions placement or otherwise, except that if our Company enters into acquisitions, joint venture(s) or any other arrangements, our Company may consider raising additional capital to fund such activities or to use Equity Shares as a currency for acquisitions or participation in such joint ventures at any time during the aforementioned six months.

22. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

23. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoter, other members of our Promoter Group, our Directors or their relatives may have financed the purchase of securities of our Company by any other person.

24. Our Promoter and members of our Promoter Group will not submit Bids in this Issue.

25. In terms of Rule 19(2)(b) of the SCRR, the Issue is being made for at least 25 % of the post-Issue paid-up equity share capital of our Company. The Issue is being made through the Book Building Process in accordance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Issue shall be Allotted on a proportionate basis to QIBs. Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will 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 or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. If at least 75% of the Issue cannot be Allotted to QIBs, all the application monies will be refunded/ unblocked forthwith. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price and such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be Allotted to all Retail Individual Bidders on a proportionate basis. All Bidders other than Anchor Investors are mandatorily required to participate in the Issue through ASBA process, providing the details of their respective bank accounts, which will be blocked by SCSBs. Anchor Investors are not permitted to participate in the Issue through ASBA process.

26. 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, in accordance with applicable laws. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any category or combination thereof.

27. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

28. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

29. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

30. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group, if any, during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.

31. Oversubscription to the extent of 10% of the Issue to the public can be retained for the purposes of rounding off to the nearer multiple of minimum Allotment lot.

32. None of the Equity Shares held by the Promoter or members of our Promoter Group are pledged or otherwise encumbered.

33. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds towards funding the following objects:

1. Repayment/pre-payment, in full or part, of certain borrowings availed by our Company;
2. Capital expenditure for setting up of new manufacturing facility at Dehradun;
3. Funding the working capital requirements of our Company; and
4. General corporate purposes.

(Collectively referred to as the "**Objects**").

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enables our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Issue and for which the loans proposed to be repaid from the Net Proceeds were utilised.

Net Proceeds

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

Particulars	**Estimated Amount* (₹ in million)**
Gross proceeds from the Issue	[●]
Less: Issue related expenses to be borne by our Company*	[●]
Net Proceeds*	[●]

**Will be incorporated after finalization of the Issue Price and updated in the Prospectus at the time of filing with the RoC.*

Requirement of funds, Utilization of Net Proceeds and Schedule of Implementation and Deployment

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(₹ in million except mentioned otherwise)

Particulars	**Amount proposed to be funded from Net Proceeds**	**Estimated utilization of Net Proceeds in**	
		Fiscal 2019	**Fiscal 2020**
Repayment/pre-payment, in full or part, of certain borrowings availed by our Company;	236.36	236.36	-
Capital expenditure for setting up of new manufacturing facility at Dehradun;	217.68	54.97	162.71
Funding the working capital requirements of our Company	200.00	200.00	-
General corporate purposes*	[●]	[●]	[●]
Total	[●]	[●]	[●]

**To be finalised upon determination of Issue Price. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.*

The Net Proceeds will first be utilized for the Objects as set out above. In case of a shortfall in raising the requisite capital from the Net Proceeds towards meeting the objects of the Issue, our management may explore alternate options, including utilisation of our internal accruals or further debt financing from existing or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

The requirement and deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions. The requirement and deployment of funds described herein has not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of utilisation specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the aforementioned objects in accordance with applicable law. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with applicable law.

Details of Utilisation of Net Proceeds

1. Repayment/pre-payment, in full or part, of certain borrowings availed by our Company

Our Company has entered into various financing arrangements with banks which include borrowings in the form of term loans, working capital facilities and other secured and unsecured loans. As on September 15, 2018, the total amounts outstanding from the secured and unsecured loan agreements (fund based and non-fund based) entered into by our Company was ₹ 426.79 million. For further details of these financing arrangements including the terms and conditions, see "*Financial Indebtedness*" on page 320.

Our Company intends to utilize the Net Proceeds aggregating up to ₹ 236.36 million towards full or part repayment and/or prepayment of the following borrowings availed by our Company. The selection of borrowings proposed to be repaid/prepaid from our facilities provided is based on various factors, including (i) any conditions attached to the borrowings restricting our ability to pre-pay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such requirements, (ii) receipt of consents for pre-payment from the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment premium/penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. Payment of pre-payment penalty/premium, if any, shall be made out of the Net Proceeds of the Issue. In the event that the Net Proceeds of the Issue are insufficient for the said payment of prepayment penalty, such payment shall be made from the internal accruals of our Company.

The following table provides details of outstanding loans availed by our Company as on September 15, 2018 out of which all the facilities may be prepaid or repaid, in full or in part, from the Net Proceeds:

A. SECURED BORROWING OF OUR COMPANY

Type of Loan	Sanctioned Amount (₹ in million)	Amount outstanding as on September 15, 2018 (₹ in million)	Rate of interest/ Commission	Tenor/ Period	Purpose	Prepayment Clause (if, any)
			Bank of India			
Cash credit/ Working capital	150.00	138.67	11.40% p.a. floating interest	12 months subject to annual review and repayable on demand	Working capital	Charges shall not be less than 1% of the amount then due and payable over and above agreed rate of interest
Term loan	130.50	67.74	11.40% p.a.	60 months	Purchase of	Charges shall not

Type of Loan	Sanctioned Amount (₹ in million)	Amount outstanding as on September 15, 2018 (₹ in million)	Rate of interest/ Commission	Tenor/ Period	Purpose	Prepayment Clause (if, any)
			floating interest		machinery	be less than 1% of the amount then due and payable over and above agreed rate of interest
Housing loan	9.32	9.28	8.50% p.a. floating interest	216 months beginning 5 months after first disbursement	Purchase of flat	Charges shall not be less than 1% of the amount then due and payable over and above agreed rate of interest
Vehicle loan	3.30	2.75	9.25% p.a.	60 months	Purchase of Ford Endeavour and Maruti Vitara Brezza	-
Tata Capital Financial Services Limited						
Equipment finance	123.84*	107.90	12.20% p.a. and 11.50% p.a.	72 months	Purchase of equipment	Thirty days prior notice in writing to be issued to the Lender and prepayment penalty shall be levied @ 3% of the outstanding principal amount.
Hero Fincorp Limited						
Machinery term loan	9.35**	5.31	12.50% p.a.	48 months	Purchase of machinery	-
ICICI Bank Limited						
Vehicle loan	8.75	4.90	8.51% p.a.	36 months	Purchase of vehicle	-

**Our Company has created a combined charge on ₹ 123.84 million sanctioned by Tata Capital Financial Services Limited which includes a fund based limit of ₹ 71.23 million and non-fund based buyer's credit of EUR 547,230 converted into ₹ 45.95 million on exchange rate of ₹ 83.977 per EUR as on September 14, 2018;*
***Our Company and Hero Fincorp Limited have not filed Form CHG-1 with the RoC for creation of charge on total loan amount of ₹ 9.35 million in 2016, hence the charge is not being reflected in the Index of Charges on the MCA website.*

B. UNSECURED BORROWING OF OUR COMPANY

Type of Loan	Sanctioned Amount (₹ in million)	Amount outstanding as on September 15, 2018 (₹ in million)	Rate of interest/ Commission	Tenor/ Period	Terms of repayment
		Deutsche Bank AG			
Business instalment loan	5.00	2.83	12.80% p.a. floating interest	36 months and repayable on demand.	EMI of ₹ 180,281 for a period of 36 months.
		HDFC Bank Limited			
Business loan	5.00	1.62	16.50% p.a.	24 months and repayable on demand.	EMI of ₹ 242,433 for a period of 24 months.
		IndusInd Bank Limited			
Business loan	5.00	4.54	17.50% p.a.	18 months and repayable on demand.	EMI of ₹ 317,838 for a period of 18 months
		Kotak Mahindra Bank Limited			
Personal finance	3.50	1.14	14.75% p.a.	13 months and repayable on demand.	EMI of ₹ 292,962 for a period of 13 months
		Axis Bank Limited			
Personal loan	5.00	4.82	16.00% p.a.	36 months and repayable on demand.	EMI of ₹ 175,785 for a period of 36 months
		Aditya Birla Finance Limited			
Business loan	5.00	3.11	17.50% p.a.	36 months and repayable on demand.	EMI of ₹ 179,511 for a period of 36 months
		Capital First Limited			
Business loan	5.50	3.89	17.00% p.a.	24 months and repayable on demand.	EMI of ₹ 271,933 for a period of 24 months
		Yes Bank Limited			
Channel finance working capital facility	50.00	50.02	11.20% p.a. floating interest	40 days and repayable on demand.	The loan shall be repayable on demand of the lender and if not demanded earlier, shall be repaid within 60 days.
		Edelweiss Retail Finance Limited			
Business loan	4.00	2.60	17.50% p.a.	36 months and repayable on demand.	EMI of ₹ 143,609 for a period of 36 months; Co-borrower:

Type of Loan	Sanctioned Amount (₹ in million)	Amount outstanding as on September 15, 2018 (₹ in million)	Rate of interest/ Commission	Tenor/ Period	Terms of repayment
					Sanjeev Sondhi
Fullerton India Credit Company Limited					
Working capital loan	5.00	2.94	16.50% p.a.	18 months and repayable on demand.	EMI of ₹ 315,466 for a period of 18 months; Co-borrower: Sanjeev Sondhi
Magma Fincorp Limited					
Small medium enterprise loan	5.00	4.67	17.50% p.a.	24 months and repayable on demand.	EMI of ₹ 248,708 for a period of 24 months
Capital Float					
Business loan	5.00	4.68	18.00% p.a.	720 days and repayable on demand.	EMI of ₹ 249,805 for a period of 720 days
IVL Finance Limited					
Business loan	3.40	3.40	18.00% p.a.	36 months and repayable on demand.	EMI of ₹ 122,919 for a period of 36 months

Pursuant to a certificate dated September 15, 2018, Singhi & Co., Chartered Accountants, have certified that the above facilities have been utilized for the purposes for which they were sanctioned.

Given the nature of these borrowings and the terms of prepayment or repayment (earlier or scheduled), the aggregate outstanding borrowing amounts may vary from time to time. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent fiscals towards the aforementioned objects. We believe that such repayment/pre-payment will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a low debt equity ratio and enable utilization of our accruals for further investment in our business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund our potential business development opportunities.

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid or repaid (earlier or scheduled), refinanced or further drawn-down prior to the completion of the Issue, we may utilise Net Proceeds of the towards prepayment or repayment (earlier or scheduled) of such additional indebtedness availed by us, details of which shall be provided in the Red Herring Prospectus.

2. Capital expenditure for setting up of new manufacturing facility at Dehradun

In furtherance of our strategy to increase our focus on packaging business, we propose to set up new manufacturing facility for manufacturing of canisters, labels and shrink sleeves and other packaging solutions at Dehradun. In this regard, we intend to utilise a portion of the Net Proceeds of the Issue aggregating to ₹ 217.68 million towards setting up of new manufacturing facility at Dehradun. The proposed plan for setting up of new manufacturing facility includes:

a. *Purchase of equipment's for production activities of Label, Canisters, and Shrink Sleeves*: Our Company proposes to purchase equipment's for manufacturing activities of Label, Canisters, and Shrink Sleeves; and

b. *Civil work for land improvement:* Our Company proposes to carry out certain civil works on the existing parcels of vacant land at our manufacturing facility at Dehradun. As per the development plan approved by our Company, we intend to construct a new facility with a built up area of 4,093.51 sq. mt. These works include land filling and levelling, construction of concrete roads and reinforced concrete cement gutters; and related infrastructure. The development plan for the proposed construction of industrial building has been certified by an independent consulting engineer, Suneet Prasad, through certificate dated August 24, 2018. The land demarcated for setting up the proposed building as per the development plan, is free from any kind of disputes/ litigations.

c. *Miscellaneous - utilities and project consultancy:* Our Company also proposes to update / install the electrical fittings, wirings, and power supply components at our facility at Dehradun. Further, our Company also proposes to avail project management services of a consultant in respect of the proposed set up of new manufacturing facility.

The details of the machinery/ equipment required to be purchased for this purpose are set out below:

Sr. No.	Category of machinery / equipment	Total estimated cost (in USD)*	Total estimated cost** (in ₹ million)
1.	Rotoflex VLI 440 (17.25 inch / 438 mm web width)	$ 188,820	13.56
2.	Rotoflex VSI 440 (17.25 inch / 438 mm web width)	$ 191,948	13.78
3.	Rotoflex DLI Series - DLI 440	$ 240,464	17.27
4.	Mark Andy Performance Series - P7 (17") Basic System with Twelve Print Modules	$ 743,119	53.37
5.	Auto Hot melt labeling machine JS-A2-500 and Auto seaming machine JS-220A	$54,000	3.88
6.	Multiple-blades paper tube machine JS-PTE2-120M	$61,000	4.38
7.	Drying room	$33,000	2.37
8.	Jumbo roll slitter rewinder JS-SR1600	$32,000	2.30
	Total	**$14,18,351**	**110.90**
	Custom Duty @ 30% (Approx.)		**33.27**
	Grand Total		**144.18**

**We have taken ₹ 71.81 as on September 14, 2018 as conversion rate of USD in INR, for quotations received from Flexo Image Graphics Private Limited dated August 21, 2018 valid for a period of three hundred and sixty five (365) days.*

***The rates have been provided in USD. The amount has been converted into Indian Rupees at the exchange rate of ₹ 71.82 = 1 USD (Source: www.fbil.org.in) prevailing on September 14, 2018 for the purpose of this Draft Red Herring Prospectus. There may be a fluctuation in the exchange rate between the Indian Rupee and the USD, such difference will be financed from general corporate purpose and accordingly such transactions may affect the final funding requirements and deployment of Net Proceeds*

We have received quotations from vendors in relation to the above-mentioned machinery which are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any vendor(s) and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the machinery at the same costs. The quantity of machinery and equipment to be purchased is based on management estimates. We do not intend to purchase any second-hand machinery or equipment

The estimated cost for civil work for the factory including the construction of the building (2 floors), parking, main gate and tanks based on the quotation provided by Suneet Prasad (consulting engineer) dated August 24, 2018 to our

Company is ₹ 73.50 million. The details of the estimated cost for civil work for the factory for this purpose are set out below:

Sr. No.	Category of Build – stages	Total Estimate Cost (₹ in million)
1.	Main Industrial Building (Ground Floor)	
	a. Production hall, lifts, staircase & etc.	26.37
	b. Porch Size	0.19
	c. Fire Staircase	0.16
2.	Main Industrial Building (First Floor)	
	a. Production hall, offices, lifts & staircases etc.	21.43
	b. Fire Staircase	0.16
3.	Main Industrial Building (Second Floor)	
	a. Production hall, offices, lifts & staircases etc.	20.17
	b. Fire Staircase	0.16
4.	Main Industrial Building (Mum ties etc.)	
	a. Over the roof including mum ties machine rooms	0.84
5.	Boundary wall 1500 high in brickwork	0.80
6.	Main Gate 5460 Wide*1500 high plus 2 nos RCC pillars	0.04
7.	Security Cabin Prefabricated	0.04
8.	Underground water tank RCC (25000 liters .)	0.25
9.	Underground fire water tank RCC (25000 liters .)	0.25
10.	Rain Water harvesting tank RCC (70870 liters)	0.71
11.	Overhead water tanks 2 nos * 1000L each	0.02
12.	Metaled driveways and parking area	1.51
13.	Landscaping and exterior lighting works	0.40
	Total cost	**73.50**

3. Funding the working capital requirements of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, financing from various banks and financial institutions and capital raising through issue of Equity Shares.

As on March 31, 2018, the amount outstanding on our Company's working capital facility was ₹ 151.81, as per our Restated Financial Statements.

Working capital requirement and basis of estimation of working capital

Our Company's existing working capital requirement and funding on the basis of our Restated Financial Statements, as on March 31, 2018 are as follows:

(₹ in million)

Particular	Actual	Estimated
	Restated March, 2018	**March, 2018**
Current Assets		
Inventories	140.48	229.16
Trade receivables	191.48	365.41
Cash and cash equivalents	20.45	426.65
Others	13.85	32.29
Total (A)	**366.25**	**1053.50**
Current Liabilities		
Trade payables	101.37	426.99
Others	113.07	89.09
Total (B)	**214.44**	**516.08**
Funding Pattern	**151.81**	**537.42**
Short Term Borrowing from Bank		**150.00**

Particular	Actual	Estimated
	Restated March, 2018	March, 2018
IPO Proceeds		**200.00**
Balance to be met by company from its Internal Accrual		

Our Company proposes to utilize ₹ 200.00 million of the Net Proceeds in fiscal 2019, 2020 and 2021, towards working capital requirements, for meeting our future business requirements.

Justification and assumption for holding levels

Current Assets	
Inventories	We expect inventory levels to maintain at 105 days to for swift service to customers.
Trade Receivables	We expect debtors holding period to be around 100 days based on type of customers being catered to.
Other Current Assets	This includes advance to suppliers for purchase of raw materials for Zircon packaging and Zircon security-blister leg for which we expect the need to pay in advance.
Current Liabilities	
Trade Payables	Trade payables are to stand at 45 days of purchases. The Company is planning to cut down supplier's credit period and move to avail CD facility from them.

Our Auditors have, pursuant to a certificate dated September 15, 2018, Singhi & Co., Chartered Accountants, have certified the working capital requirements of our Company.

4. General Corporate Purposes

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds in accordance with Regulation 4(4) of the SEBI ICDR Regulations, including but not restricted towards funding growth opportunities, advertising and sales promotion activities across various platforms, increasing brand recognition, working capital requirements, part or full debt repayment, meeting expenses incurred in the ordinary course of business, meeting exigencies which our Company may face in the ordinary course of business and towards repayment and pre-payment penalty on loans as may be applicable. The quantum of utilisation of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head "General Corporate Purposes" and the corporate requirements of our Company.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our existing identifiable internal accruals or seeking debt from future lenders, subject to compliance with applicable laws. Our management expects that such alternate arrangements would be available to fund any such shortfall.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹[●] million. The Issue related expenses include fees payable to the BRLM and legal counsel, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The fees and expenses relating to the Issue shall be met by the Company in accordance with applicable law and upon successful completion of the Issue.

However, in the event that the Issue is withdrawn or not completed for any reason whatsoever, all Issue related expenses will be borne by our Company.

The estimated Issue expenses are as under:

Activity	**Estimated expenses(1) (₹ in million)**	**As a % of the total estimated Issue expenses (1)**	**As a % of the total Issue Size(1)**
Fees payable to BRLM and underwriting commission, brokerage and selling commission	[●]	[●]	[●]
Commission/processing fee to the SCSBs for processing Bid cum Application Forms procured by Syndicate/Sub Syndicate or procured by Non-Syndicate Registered Brokers and submitted to SCSBs (2) and (3)	[●]	[●]	[●]
Brokerage and selling commission for Non-Syndicate Registered Brokers (4)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees to the Registrar to the Issue	[●]	[●]	[●]
Other advisors to the Issue (including lawyers, auditors, etc.)	[●]	[●]	[●]
Listing fees and other regulatory expenses	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) To be determined on finalization of the Issue Price and updated in the Prospectus prior to filing with the RoC.

(2) SCSBs will be entitled to a processing fee of ₹ [●] per ASBA Form for processing the ASBA Forms procured by members of the Syndicate, Brokers, sub-syndicate / agents, Registered Brokers, RTAs or CDPs and submitted to the SCSBs

(3) Members of the Syndicate, RTAs, CDPs and SCSBs (for the forms directly procured by them) will be entitled to selling commission as below:

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted**
Portion for Non-Institutional Bidders:	*[●]% of the Amount Allotted**

(4) Registered Brokers will be entitled to a commission of ₹ [●] per every valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges

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

The commissions and processing fees shall be payable within 30 Working Days post the date of the receipt of the final invoices of the respective intermediaries by the Company or in accordance with the agreements / engagement letters entered into between the Company and the respective intermediaries.

For the avoidance of doubt, all of the above shall be subject to applicable Goods & Service Tax (GST) to the extent applicable.

Means of Finance

The fund requirements set out below are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing identifiable internal accruals.

Appraisal and Bridge Loans

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board. Further, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or finance institutions.

Monitoring Agency

There is no requirement for appointment of a monitoring agency for the purposes of the Issue, in terms of Regulation 16 of the SEBI ICDR Regulations, as the size of the Issue is less than ₹1,000 million. Our Audit Committee shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue in our balance sheet for the relevant financial years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review utilization of the Net Proceeds and make recommendations to our Board for further action, if required. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Issue from the objects of the Issue as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without being authorized to do so by our Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language of Delhi where our Registered Office is located), each with wide circulation. Our Promoter will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, at a price and in such manner as may be prescribed by SEBI in Chapter VI-A of the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, our Directors, our Key Managerial Personnel or our Group Company. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, Promoter Group, our Directors, our Key Managerial Personnel or our Group Company.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of following quantitative and qualitative factors. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also see "*Risk Factors*", "*Our Business*", and "*Financial Statements*" on pages 17, 123 and 178, respectively, to have an informed view before making an investment decision.

Qualitative Factors:

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- One of the leading players in the labeling segment
- Emerging Player in brand security solutions
- Diversified range of products appealing to a wide range of industries
- In house development and adoption of latest technology
- Product design and manufacturing capabilities
- Experienced management with strong industry expertise

For further details, see "*Our Business - Competitive Strengths*" and *"Risk Factors"* beginning on pages 125 and 17 respectively.

Quantitative Factors:

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements. For details, see "*Financial Statements*" on page 178.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings per Share (EPS):

As per our Restated Consolidated Financial Statements:*

Year ended	Basic EPS (In ₹)	Diluted EPS (In ₹)	Weight
FY 2017-18	4.31	4.31	2
FY 2016-17	1.63	1.63	1
Weighted Average	**3.42**	**3.42**	

**Since there were no subsidiaries, associates or joint ventures, no consolidated financials were prepared for the period ended March 31, 2016.*

As per our Restated Standalone Financial Statements:

Year ended	Basic EPS (In ₹)	Diluted EPS (In ₹)	Weight
FY 2017-18	4.58	4.58	3
FY 2016-17	1.63	1.63	2
FY 2015-16	2.00	2.00	1
Weighted Average	**3.17**	**3.17**	

$$\text{Basic earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$$

Notes:

i. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year 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. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.*
ii. *The Company does not have any dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the company remains the same.*
iii. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. {(EPS x Weight) for each year} / {Total of weights}.*
iv. *The face value of each Equity Share is ₹ 10*
v. *The EPS calculations have been done in accordance with the Ind AS 33 issued by MCA, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.*

2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹[●] per Equity Share of the face value of ₹10 each:

Particulars	As per our Restated Standalone Financial Statements	As per our Restated Consolidated Financial Statements
P/E ratio based on Basic EPS for the financial year ended March 31, 2018 at the Floor Price	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2018 at the Floor Price	[●]	[●]
P/E ratio based on Basic EPS for the financial year ended March 31, 2018 at the Cap Price	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2018 at the Cap Price	[●]	[●]

Industry P/E ratio

There are no listed peers in India which are engaged in a similar line of business or whose business is comparable with that of our business.

3. Return on Net Worth ("RoNW"):

As per our Restated Consolidated Financial Information:*

Year ended	RoNW(%)	Weight
FY 2017-18	32.28%	2
FY 2016-17	17.96%	1
Weighted Average	**27.50%**	

Return on Net Worth (%) = Restated Profit after tax / Net Worth as restated
** Since there were no subsidiaries, associates or joint ventures, no consolidated financials were prepared for the period ended March 31, 2016.*

As per our Restated Standalone Financial Information:

Year ended	RoNW(%)	Weight
FY 2017-18	33.56%	3
FY 2016-17	17.98%	2
FY 2015-16	27.21%	1
Weighted Average	**27.31%**	

Return on Net worth (%) = Restated Profit after tax / Net Worth as restated

Notes:

i. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year 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.*
ii. *Average Net worth means average of the opening and closing net worth for the year.*
iii. *Net worth has been computed as the aggregate of share capital and other equity as restated.*

4. Minimum Return on Total Net Worth after Issue needed to maintain pre-Issue EPS for the fiscal year ended March 31, 2018

a) For Basic EPS

As at	Consolidated(%)	Standalone (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

b) For Diluted EPS

As at	Consolidated (%)	Standalone (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

5. Net Asset Value (NAV) per Equity Share

Particulars	NAV (₹ per Equity Share)	
	Before Bonus	After Bonus
NAV per Equity Share as per our Restated Financial Consolidated Financial Information for Fiscal 2018	22.31	13.38
NAV per Equity Share as per our Restated Standalone Financial Information for Fiscal 2018	22.72	13.63
NAV per Equity Share after the Issue – at Floor Price	[●]	[●]
NAV per Equity Share after the Issue – at Cap Price	[●]	[●]
Issue Price per Equity Share*	[●]	[●]

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

$$\text{Net Asset Value Per Equity Share} = \frac{\text{Net worth as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

6. Comparison with Listed Industry Peers

There are no listed peers in India which are engaged in a similar line of business or whose business is comparable with that of our business.

7. The Issue Price will be [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM on the basis of assessment of demand from investors for the Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 17, 123, 292 and 178, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

Date: 15th September 2018

To,
The Board of Directors
Zircon Technologies (India) Limited
No-2B-1226 G.D. Colony
Mayur Vihar Phase - III
New Delhi-110096

Dear Madam (s) / Sir(s):

Sub: **Proposed initial public offering of equity shares of ₹ 10 each (the "Equity Shares") of Zircon Technologies (India) Limited (the "Company" and such offering, the "Offer")**

We, Singhi & Co., Chartered Accountants report that the enclosed statement in **Annexure A**, states the possible direct tax benefits available to the Company, its subsidiary partnership firm and to its shareholders under the Income-tax Act, 1961 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

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

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

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with.
iii) the revenue authorities / Courts will concur with view expressed therein.

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.

We also consent to the references to us as "Experts" to the extent of the certification provided hereunder and included in the draft red herring prospectus, red herring prospectus and prospectus of the Company or in any other documents in connection with the Offer.

We hereby give consent to include this statement of tax benefits in the draft red herring prospectus, red herring prospectus, the prospectus and in any other material used in connection with the Offer.

Your sincerely,

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration No.: 302049E

B.L. Choraria
Partner
Membership No: 022973
Place: Noida (Delhi NCR)

<u>Enclosed as above</u>

Annexure – A

ANNEXURE A

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible Special tax benefits available to the Company, its subsidiary partnership firm and its shareholders under the Income Tax Act, 1961 in force in India (*i.e.* applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19). These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the Special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

A. UNDER THE INCOME TAX ACT, 1961 ("the IT Act")

1. Tax holiday under section 80IC of the Act available to the company

The following specific tax benefits may be available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws on certain eligible projects / contracts:

In accordance with and subject to the conditions specified in Section 80-IC of the Act, the Company may be entitled for a deduction of profits or gains derived from an industrial undertaking located as given in the details below.

Eligible Unit(s)	Remaining Deductions
Khasra No. 1017,1019,1021, Camp Road, Selaqui Dehradun – 248197, State Uttarakhand	An amount equal to thirty percent (30%) of profit & gain for assessment year 2018-19 to 2020-21
F-65, UPSIDC, Selaqui Industrial Area, Selaqui, Dist. Dehradun – 248197, State Uttarakhand	An amount equal to thirty percent (30%) of profit & gain for assessment year 2018-19 to 2019-20

However, the aforesaid deduction is not available while computing Minimum Alternative Tax ('MAT') liability of the Company under Section 115JB of the Act. Nonetheless, such MAT paid/ payable on the adjusted book profits of the Company computed in terms of the provisions of Act, read with the Companies Act, 2013 would be eligible for credit against tax liability arising in succeeding years under normal provisions of Act as per Section 115JAA of the Act to the extent of the difference between the tax as per normal provisions of the Act and MAT in the year of set-off. Further, such credit would not be allowed to be carried forward and set off beyond 15 assessment years immediately succeeding the assessment year in which such credit becomes allowable as per the Finance Act, 2017.

2. Special Tax Benefits to the Shareholders of the Company under the Act

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

Notes:

1) All the above benefits are as per the current tax law and any changes or amendment in the laws and regulations, which when implemented would impact the same.
2) The stated benefits will be available only to the sole / first named holder in case the equity shares are held by the joint holders.
3) In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax adviser with respect to specific tax consequences of his/her participation in the offer.
4) The above statement of possible special tax benefit sets out provisions of law in summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares held as investment (and not as stock in trade). Investors are advised to consult their tax advisors with respect to the consequences of the purchase, ownership or disposal of equity shares.
5) In respect of Non-resident, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under relevant Double Taxation Avoidance Agreements, if any, between India and the Country in which the non-resident has fiscal domicile.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

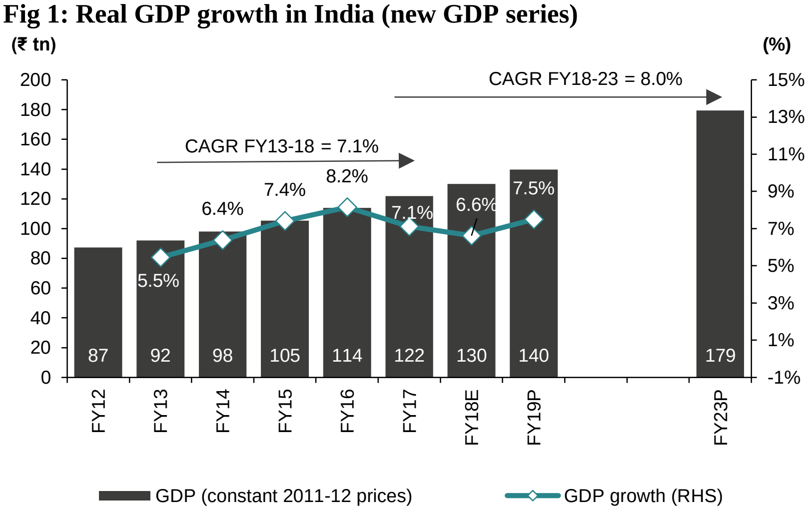
*Unless noted otherwise, the information in this section is obtained or extracted from "Assessment of the label printing industry in India" dated June 2018 (the "**CRISIL Report**") prepared and issued by CRISIL Limited ("**CRISIL**"). Neither we nor any other person connected with the Issue have independently verified this information. 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. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

Review and outlook of GDP growth in India

GDP to grow at a faster pace over the next five years

Consumption and investment constitute the growth engine of any economy. In recent years, India's growth has been firing on the consumption cylinder, while the investment front has been muted. GDP at constant FY12 prices expanded at a 7.1% compound annual growth rate (CAGR) between FY13 and FY18. It grew at a slower pace between FY12 and FY14, because of sluggish income growth, persistently rising inflation, and high interest rates. Industrial output too weakened. After FY14, growth recovered with improving industrial activity, lower crude oil prices and supportive policies. However, that was clipped in FY17, because of demonetisation, dwindling private investment and slowing global growth.

Fig 1: Real GDP growth in India (new GDP series)



Note: P-Projected

Source: CSO (Central Statistical Organisation), CRISIL Research, IMF

The Goods and Services Tax (GST) rollout in early FY18 left its imprint on GDP figures, especially in the first half. CRISIL Research expects real GDP growth to rebound to 7.5% in FY19 from 6.6% in FY18, as the transitory disruption from the GST implementation wanes and a low base provides a fillip. Growth will continue to be driven by consumption, due to softer interest rates, under-control inflation, and the implementation of the Seventh Pay Commission hikes at the state level. Investments, fired largely by public sector investment in infrastructure would start lending growth a helping hand. Growth will also be mildly supported by public spending (with a rural focus) in infrastructure, especially roads.

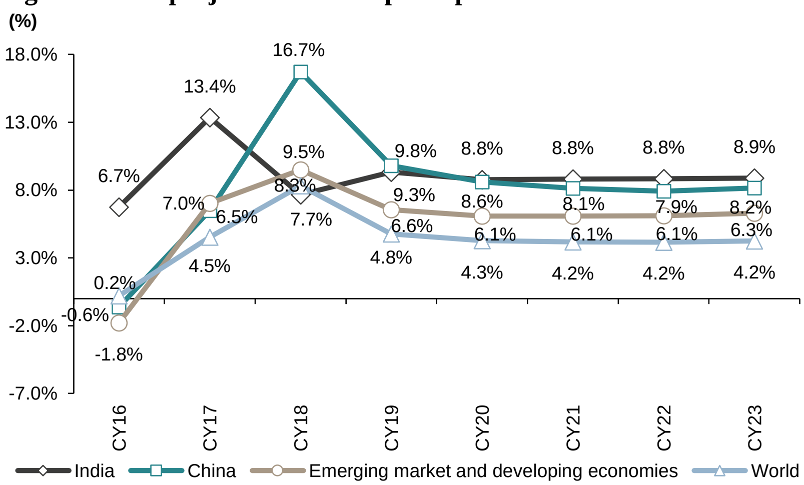
On the external front, too, synchronised global recovery is expected to gather pace, helping Indian exports that were impacted to some extent by GST-related glitches. However, geopolitical risks, uncertainty about the pace of normalisation of monetary policy in advanced nations, and the appreciation of rupee would limit the contribution of exports to domestic economic growth.

In the medium term, we expect the pace of economic growth to pick up, as structural reforms, such as GST and the Bankruptcy Code, aimed at de-clogging the economy and raising the trend rate of growth, begin to take effect. Assuming that monetary and fiscal policies remain prudent, these reforms would lead to efficiency gains and improve the prospects for sustainable high growth in the years to come. The improving macroeconomic environment (softer interest rate and stable inflation), urbanisation, rising middle class, and business-friendly government reforms will drive growth in the long term. As per the International Monetary Fund (IMF), the Indian economy is projected to grow at an 8% CAGR over FY18-23. India's growth is estimated to be higher than many emerging as well as developed economies, such as Brazil, Russia and China.

India's GDP growth to outperform Asian and global peers

According to the IMF data, India is expected to grow at a significantly faster rate compared with other emerging and developing economies and world.

Fig 2: Growth projection of GDP per capita for different countries/country sets (current price basis)



Source: IMF

Table 1: Demand-side real GDP growth (% y-o-y)

At constant prices	FY13	FY14	FY15	FY16 (RE)	FY17 (RE)	FY18 (AE)
Pvt. consumption	5.5	7.3	6.4	7.4	7.3	6.1
Govt. consumption	0.6	0.6	7.6	8.6	12	10.9
Fixed investment	4.9	1.6	2.6	5.2	10.1	7.6
Exports	6.8	7.8	1.8	-5.6	5.0	4.4
Imports	6.0	-8.1	0.9	-5.9	4.0	9.9

AE: Advance Estimate; RE: Revised Estimates

Source: Second advance estimates of national income 2017-18, CSO, CRISIL Research

During the first half of FY18, India's economy temporarily "decoupled". The economy decelerated as the rest of the world accelerated, even as it remained the second-best performer among major countries, with strong macroeconomic fundamentals. The reason lies in the series of actions and developments that buffeted the economy: demonetisation, teething difficulties in the new GST regime, high and rising real interest rates, an intensifying overhang from the twin balance sheet (TBS) challenge, and a sharp decline in certain food prices that impacted agricultural income. In the second half of the year, the economy witnessed robust signs of a revival. Economic growth improved as the shocks began to fade, corrective actions were taken, and the synchronous global economic recovery boosted exports.

For the year, real GDP growth is estimated to slow down to 6.6% in FY18 from 7.1% in FY17. While consumption would continue to spearhead growth, investment is expected to move up slowly. Private consumption is estimated to grow 6.1%, over a high base of 7.3% and remain the largest contributor to GDP (a 56% share). Interest rate reduction, pent-up demonetisation demand, Seventh Pay Commission implementations by the states and moderate inflation are the factors supporting private consumption.

Table 2: Supply side real GDP growth (% y-o-y)

At constant prices	FY 13	FY 14	FY 15	FY 16 (RE)	FY 17 (RE)	FY 18 (AE)
Agriculture & allied	1.5	5.6	-0.2	0.6	6.3	3.0
Industry	3.3	3.8	7.0	9.8	6.8	4.8
o/w Manufacturing	5.5	5.0	7.9	12.8	7.9	5.1
o/w Mining	0.6	0.2	9.7	13.8	13	3.0
Services	8.3	7.7	9.8	9.6	7.5	8.3

Note: Industry includes mining & quarrying, manufacturing, electricity, gas, water supply & other utility, and construction.
Services include trade, hotels, transport, communication & services related to broadcasting, finance, real estate & professional services, public administration, defense, and other services.
AE: Advance Estimate; RE: Revised Estimates

Source: Second advance estimates of national income 2017-18, CSO, CRISIL Research

Growth in gross value-added (GVA), which measures the economy from the producer or supply side – and is supposed to be a better measure of economy activity – also indicated a similar trend, with real GVA growth slowing down to 6.4% this fiscal from 7.1% in the past fiscal. The services sector acted as the anchor, as both agriculture and industry saw their growth rates declining significantly. Except for the high base of the previous fiscal, agricultural growth at 3% seems to be lower, given that both kharif production and rabi sowing are only marginally lower compared with the previous fiscal. Manufacturing growth slowed down to 5.1% in FY18, from 7.9% in the previous fiscal, because of the disruptions caused by GST implementation and the lingering effects of demonetisation. Services sector, on the other hand, displayed a broad-based improvement, with growth improving to 8.3% in FY18 from 7.5% in FY17. Both 'trade, hotels, transport, communication and services related to broadcasting' and 'financial services, real estate and professional services' are estimated to grow faster this fiscal.

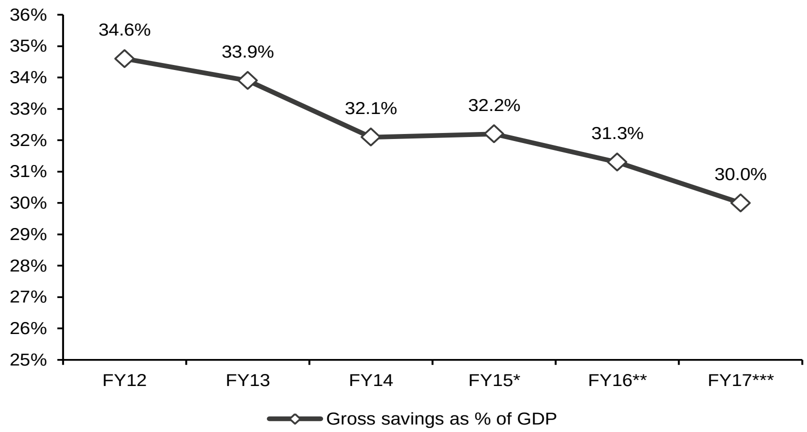
Union Budget for fiscal 2019 focused on reviving rural demand

Given its ambitious target of doubling farmers’ income by 2022, the government increased its budgetary allocation for agriculture and allied activities from a revised estimate of ₹566 billion in FY18 to ₹638 billion in FY19. The increased allocation of 12.8% in FY19 is similar to that in FY18. The government also announced measures, such as an assured minimum support price, export liberalisation of agri-products to revive farm realisation, and increased expenditure on rural infrastructure to improve rural income. Construction is a very labour-intensive and, more importantly, it can absorb low-skilled workers – a key characteristic of rural India. Focus on rural housing and roads is expected to help build assets, create jobs and consequently improve income.

Declining savings-to-GDP ratio indicate rising consumer spends

The economic scenario presented by the new series, with 2011-12 as the base year, reveals a fall in India’s gross savings as a percentage of GDP, to 30% in FY17 from 34.6% in FY12, thus indicating that people are spending more. Gross savings during FY17 is estimated as ₹45,726 billion as against ₹43,019 billion during FY16.

Fig 3: Trends in saving as percentage of GDP



* Third revised estimate; ** Second revised estimate; *** First revised estimate

Source: First revised estimates of national income, consumption expenditure, saving and capital formation for 2016-17, MoSPI, CRISIL Research

Government push towards increasing formalisation of economy to benefit organised players

Demonetisation of high-value currency notes and other measures to curb flow of unaccounted money, introduction of the GST, and rising usage of digital medium are some of the key triggers for push towards the formalisation of the Indian economy. Increasing formalisation is expected to benefit the organised segments across industries. This trend, coupled with increasing consumer demand for branded products, is likely to aid in organised players gaining share, especially in consumption linked industries such as packaging.

Favourable economic and demographic factors to drive packaging industry growth

Formalisation of economy, rising disposable income, urbanisation, growing share of organised retail and increasing consumer preference for branded products are key drivers for growth branded consumer products industry. Since packaging is an integral part of the consumer products industry, these trends are also likely to augur well for the packaging and packaging decoration industry also. Moreover, as large, organised players prefer established suppliers, growth in organised segment of the packaging and packaging decoration industries.

India's GDP growth is expected to outperform other emerging and developed economies over the medium term. Over the last few years, per capita disposable incomes of Indian consumers have grown at a healthy rate improving their affordability. Consumers are also becoming more health conscious. As a result, they increasingly prefer packaged and branded food/ non-food items over unpacked, non-branded items, which drives demand for packaging.

Overview of the Indian packaging industry

Packaging plays an important role in marketing and selling a product

From a quintessential security covering to an important aspect of hard-selling and marketing a product, the role of packaging has undergone a drastic change over years. Packaging today plays an important role in the final saleability of a product.

The packaging industry can be classified based on the nature of packaging, materials used, and the function of the packaging layer. The below diagram depicts the classifications based on the nature and material used.

Fig 4: Segmentation of the packaging industry

Type of packaging

Type of material used

	Flexible Packaging	Rigid Packaging
Glass		Bottles Vials
Metal	Aluminum foils	Tin cans Steel drums Pilfer proof caps Aerosol containers Collapsible tubes Aluminum containers
Polymer	BOPP bags PP bags HDPE bags Laminated tubes	PET bottles HDPE containers
Paper/Film		Corrugated boxes Mono-carton

Packaging decoration

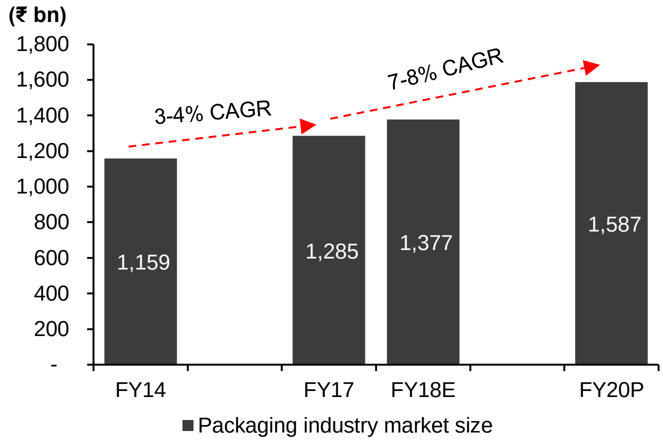
Labels
Wet glue **Shrink sleeve** **Pressure sensitive** **In-mould**

Source: CRISIL Research; Industry

Indian packaging industry to register a relatively higher growth over the medium term

CRISIL Research estimates the size of the Indian packaging industry to be ₹1,380 billion in FY18, up 7.2%, on-year driven by volume and realisation growth. This was on the back of a tepid FY17, when demand posted a moderate growth of ~2.5%, as demonetisation and decline in realisation impacted demand. Polymer packaging, which is the largest segment (~62% in fiscal 2017), increased ~3% in FY17. Metal and paper packaging increased 1-2%. On the other hand, glass packaging de-grew ~1%, due to pricing pressure and volume decline. This was due to rising substitution, primarily in the non-alcoholic segment.

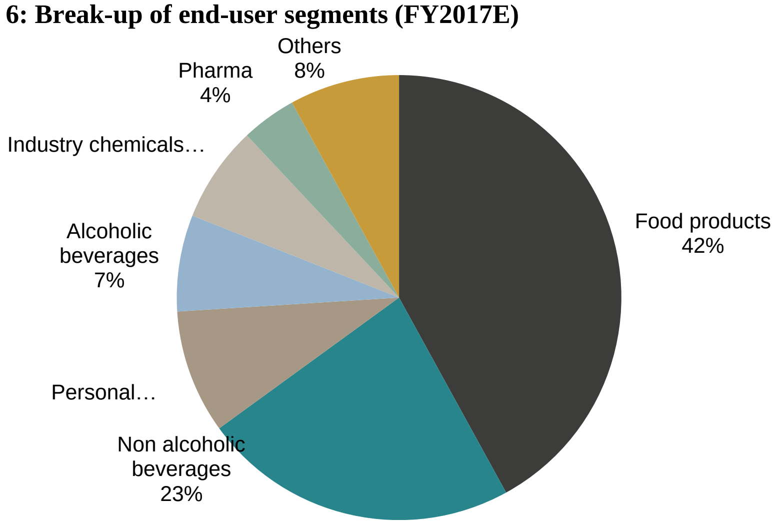
Fig 5: Indian packaging industry to grow at 7-8% CAGR over FY18-FY20



Source: Industry; CRISIL Research

Over FY17-20P, we expect the industry size to expand at a 7-8% CAGR, in value terms, on the back of healthy volume growth and a gradual improvement in realisation, stemming from an expected rise in polymer prices. Pharmaceuticals, alcoholic beverages, food products and personal care sectors are expected to be the key growth drivers. The increased focus of FMCG (fast-moving consumer goods) companies on innovative packaging concepts, which offer scope for enhanced aesthetic value and an extended shelf life, will also propel demand.
The packaging industry grew at a 3.5% CAGR over FY14-17, driven by healthy growth in the pharmaceutical sector (7.5%). Moreover, food products and alcoholic beverage demand also increased at a 3-4% CAGR during the period. Food products, along with alcoholic and non-alcoholic beverages, account for close to 75% of demand in the packaging industry, and hence are key demand drivers. Polymer has emerged the most-preferred packaging material, expanding at a 4.5% CAGR over FY14-17, compared with 2-4% for paper and glass packaging (metal packaging de-grew at a ~2% CAGR over the same period). FMCG companies' focus on rural markets, where many products are sold in smaller quantities in pouches and sachets, has been a key catalyst of demand for polymer packaging.

Fig 6: Break-up of end-user segments (FY2017E)



Source: Industry; CRISIL Research

Healthy growth prospects for packaging industry bodes to drive packaging decoration industry

Packaging decoration – comprising mainly labels and direct printing - plays an important part of packaging and selling products. Almost all product packaging requires decoration. Thus, growth in packaging industry is expected to drive demand for packaging decoration industry as well.

Labels have applications across packaging segments. They are majorly prevalent in polymer and glass. For metal as well as paper, direct printing is prevalent for some specific applications with label finding applications for few other products. Labels come in a variety of shapes, sizes and materials, and help to attract consumer's attention towards the product. A well-designed label can also make the product visually appealing. Moreover, it can also help in identifying the brand/trademark as well as communicating the virtues of the product. Our detailed analysis of the label printing industry is provided below.

Assessment of the label printing industry in India

Used for a range of purposes, label printing has emerged as an integral part of the modern consumer and industrial product packaging. Labels are essential for most products today, which aids in identifying and marketing products and also provides important consumer-related and legislative information about the products. Our interactions with the industry sources suggest that the label printing industry is growing faster than the overall packaging industry, both globally as well as in India. The rise in consumer preference for branded products, globalisation of international brands, increasing awareness regarding security and consumer protection, launch of new products and brands, and emergence of e-commerce have been the major growth drivers in the label printing industry. In this section, we analyse the Indian label printing industry in greater detail.

An overview of the label printing industry

The label printing industry is estimated at ₹105 billion in FY17-18. The industry is highly fragmented with a large number of printers catering different industries.

Labelling in an important part of packaging and selling products. Labels come in a variety of shapes, sizes and materials, and help to attract the consumer attention towards the product. A well-designed label can also make the product appealing visually. Moreover, it can also help in identifying the brand/trademark as well as communicating the virtues of the product.

Label printing has diverse applications

- **Communication of product information:** Labels help in communicating important information about the product, including information on pricing; manufacturer details; volume or weight; product features; ingredient or content list; storage; handling; safety; and other usage-related information. Also, regulatory information can also be provided for regulated pharma and FMCG products. Labels may also include a unique product ID for tracking, thereby aiding in incorporating security features.
- **Enhancing the visual appeal of products:** Labels can be used by brands/companies to enhance the visual appeal of products, thereby attracting potential buyers to purchase a product. A label helps in identifying the brand and communicates its unique selling point (USP).
- **Security features:** Packaging can play an important role in reducing the security risks of product shipments. Packages with improved tamper resistance act as a deterrent to any manipulations. There can also be tamper-evident features, indicating that tampering has taken place. Packages can be engineered to help reduce the risks of package pilferage or the theft and resale of products: Some package constructions are more resistant to pilferage than other types, and some have pilfer-indicating seals. Counterfeit consumer goods, unauthorised sales (diversion), material substitution and tampering can all be minimised or prevented with such anti-counterfeiting technologies. Packages may include authentication seals and may use security printing to indicate that the package and contents are not counterfeit. Packages also can include anti-theft devices, such as dye-packs, RFID tags, or electronic article surveillance tags that can be activated or detected by devices at exit points and require specialised tools to deactivate. Using packaging in this way is a means of retail loss prevention.

The industry is characterised by key printing processes as below:

- **Gravure printing:** It is a direct application process, meaning ink is placed directly onto the surface without having to go through the more complex methods that flexo and offset require. Globally, the companies that use it are usually larger ones and tend to produce complex labels, such as those that include metallics.
- **Flexography:** It is also known as flexo, is a printing process that works using image plates. Flexo printing utilises rubber or polymer plastic plates. Thus flexo plates are more flexible and less expensive to produce than gravure's rigid metal tubes.

- **Offset printing:** It is also called lithography. The ink rollers transmit ink and are recognised in the image areas, but repelled by non-print areas. The image is then copied, or offset, from the plate to another cylinder called the blanket. The blanket accepts the image and then transfers it to the printing surface.
- **Digital:** This technology uses computer-monitored color calibration for matching and target reproduction. The toner or ink is applied through an electrostatic process. Globally digital printing technology is growing rapidly. This is primarily used for short runs, which can be used for variable data jobs.

In the label-printing industry, flexography is used for productivity, higher speed for large volume and overall quality.

Label printing industry can be categorized into four segments

Based on the type of applications, the label printing industry can be categorised into four broad segments – wet glue labels, pressure sensitive labels, in-mould labels, and shrink sleeve labels. With a 50-55% share of the domestic label printing market, wet glue is the largest segment, followed by pressure sensitive segment, which accounts for 35-40% of the market. In-mould and shrink sleeve together accounts for the remaining ~5-10%. Even though the wet-glue segment accounts for the major share of the market at present, the pressure sensitive segment has been growing much faster in recent times, thereby gaining a share in the overall market. A brief overview of each segment is provided below:

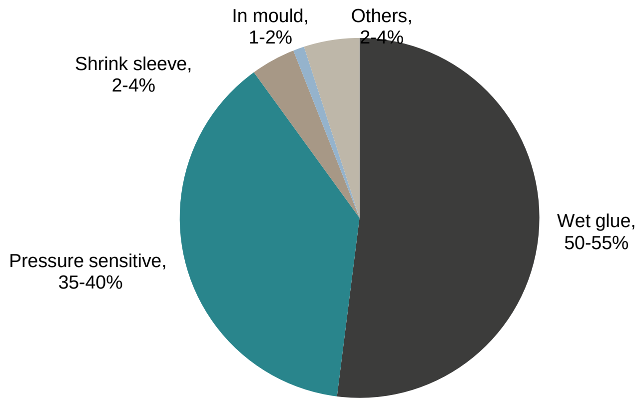
- **Wet glue labels:** The most traditional method of label packaging, wet glue labels are used predominantly for glass packaging applications – such as in alcoholic beverages, jams, and some carbonated beverages. For these types of labels, adhesives have to be applied by the product manufacturer or bottling vendor on the product itself. The segment accounts for the highest share among various types, as it is cost-effective. Since there is no adhesive before use, it has a long storage life. However, owing to lower aesthetic appeal and limited applications, the use of wet glue labels has been coming down in recent years.

- **Pressure sensitive or self-adhesive labels:** The fastest-growing among the label-packaging segments, these type of labels usually come in rolls and can be peeled off and applied on the product manually or by a machine. They don’t require heat or any solvent to adhere to the product and thus are convenient to use. Additionally, these labels have wider applications and are aesthetically more appealing to consumers.

- **Shrink sleeve labels:** These are a type of labels that offers 360^{O} messaging on the product. The label takes the shape of the container, as it is shrunk using heat. These can be used with plastic, glass or metal containers and are majorly applied through machines, typically through gravure printing.

- **In-mould labels:** This type of labels are applied during the manufacturing of the container. The label is placed within the mould, when the container is being formed in contrast to applying the label on the finished product. This gives the container giving *no label* look. The widely used moulding process are injection moulding, blow moulding and thermoforming. The share of this type of label is very low, because of higher cost associated.

Fig 8: Share of different labels in the total label printing industry (current)



Source: Industry; CRISIL Research

Pressure-sensitive segment to continue to gain share from the wet-glue segment, to emerge as the most preferred method of label printing

Until the end of the penultimate decade of the last century, wet-glue labels – which were printed using offset press – had widespread usage, especially as glass was the dominant medium of packaging of various products including medicines, alcoholic beverages, and other food products. Pressure-sensitive labels were mostly used for FMCG products, which had plastic packaging. As plastic packaging gradually gained prominence over glass packaging, the demand for plastic packaging was on a steady uptrend. However, the introduction of shrink-sleeve labels tilted demand away from pressure-sensitive labels, as the former were most cost effective compared with the latter. Moreover, shrink sleeves offered a 360º packaging with the potential to conceal any defect or mould lines of the containers.

With the improvement in polymer technology, the quality of plastic moulded containers improved steadily, eradicating the need to conceal defects. Rising income and higher spending propensity of consumers, coupled with growing preference for premium products (pressure sensitive labels were perceived to be more premium than shrink sleeves) led to the shift in demand towards pressure sensitive labels. Additionally, the launch of new products by companies and ease of application – shrink sleeves was a tedious process and wet glue was a messy process – provided impetus to demand for pressure-sensitive labels. Since then, pressure-sensitive labels have been growing relatively faster and gaining share over shrink sleeve and wet glue labels. Because of the increasing share of polymers as the main packaging material, pressure sensitive labels are expected to continue to gain share from wet glue labels, gradually emerging as the leading label type. As a result, we expect companies focusing on the pressure sensitive labels to perform better than other label printing players focused on wet glue or shrink sleeve methods.

The several advantages of pressure sensitive labels over other methods are:

- **Versatility and durability:** Compared with other types of labels, pressure sensitive labels have a wider range of applications. They can be used on diverse containers made of different materials, including glass, polymer, and others. They are also available in various shapes and sizes and are customisable. Additionally, it is more durable, especially compared with the wet glue labels, as it remains wrinkle-free over a longer time, and does not peel off regardless of the surface material it is applied on.

- **Regulatory compliance:** For some products – such as pharmaceuticals and food products – regulatory bodies require that all labels to be printed on products containing critical compliance-related information have to be in place during transport, storage and on shelf. Among different labels, pressure-sensitive labels have most suitable properties for such usage.

- **Higher aesthetic appeal:** As pressure-sensitive labels support different designs and are most flexible, they are most suitable for enhancing the aesthetic appeal of products. Because of the high-definition printing, such labels can also communicate product information to consumers more clearly. Consumers also perceive such labels to be more premium, because of their aesthetic appeal.

- **Better security features:** Compared with wet glue labels, pressure sensitive labels have security features. Modern pressure sensitive labels may have in-built security features such as tamper evidence, RFID tag, and other tracking features.

- **Cost effectiveness and ease of application:** Thanks to relentless development in labelling technology, the cost of pressure-sensitive labels has come down drastically over the past few years, as suggested by industry sources. Apart from the operating costs, the cost of applications are also lower due to the limited manual interventions required.

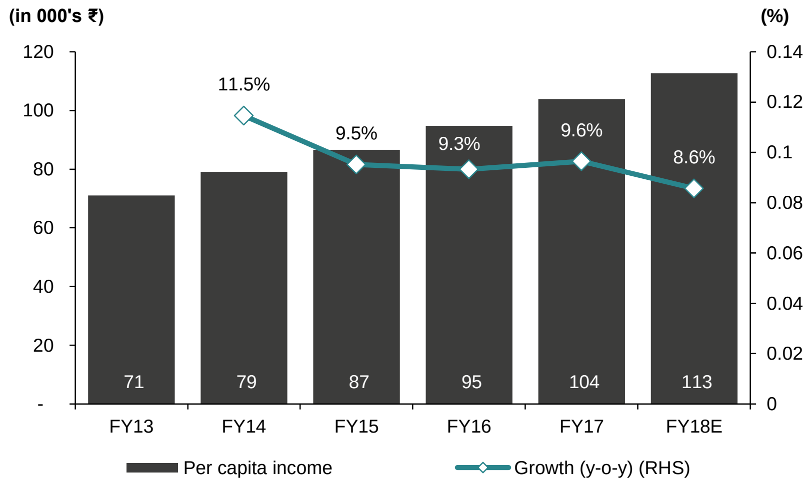
Based on these advantages, we expect the pressure-sensitive labelling to grow faster than the overall label-printing industry.

Key demand drivers of label printing industry

- ***Demographic factors*** – Key demographic factors, such as rising income, urbanisation and preference for healthier lifestyle, would drive the growth of the packaging industry, and therefore the label printing industry. Rising urbanisation, higher disposable income and changing consumer lifestyles are expected to lead to higher out-of-home consumption. In addition, focus on quality packaged food and improved convenience will lead to greater access and demand for consumer foods. Also, rising income and changing consumer lifestyle toward branded products are expected to boost the label printing industry.

Per-capita income in nominal terms increased at a CAGR of ~9.7% from ₹71,000 in FY13 to ₹113,000 in FY18.

Fig 9: Nominal per-capita GDP growth



AE: Advance Estimate; RE: Revised Estimates, P: Projected

Source: Second advance estimates of national income 2017-18, CSO, CRISIL Research

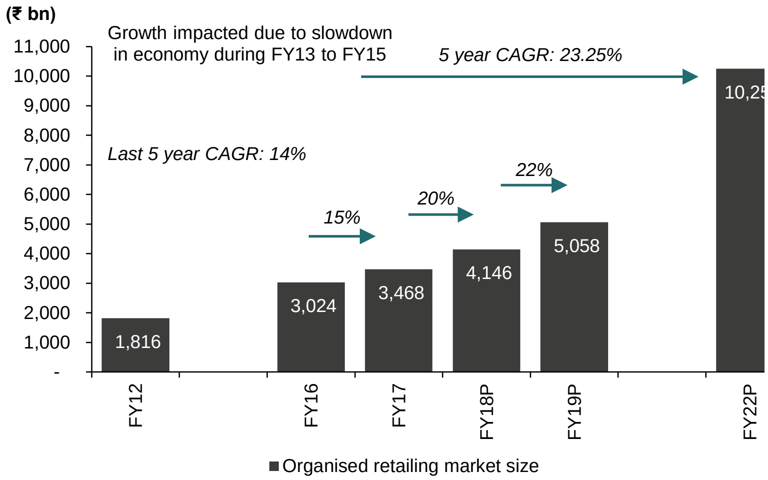
Urbanisation likely to cross 35% by CY2020

As per Census 2011, India's total population was about 1.2 billion and comprised nearly 246 million households. Population grew at a CAGR of 1.8% between calendar years during CY2001-CY2011. According to the results of 'The 2017 Revision of the World Population Prospects' by the United Nations population estimates and projections, India (2nd to China) along with China remain the two most populous countries of the world. The report further projects India's population to grow at a CAGR of 1.2% by CY2030 (1.5 billion by CY2030) to become the world's most populous country surpassing China (1.4 billion in CY2030).

- ***Increase in organised retail penetration***

The rising organised retail is expected to be one of the key demand drivers for the packaging industry. CRISIL Research expects the organised retail sector to grow at a healthy CAGR of 23-25% over the next five years, due to a rise in consumer spending and increasing preference for branded products. A flourishing organised retail and as well as growth in e-commerce will boost demand for label printing industry, particularly from the organised sector.

Fig 14: Organised retail growth to pick up over medium term



Note: Projected, ORP: Organised retail penetration;
Source: CRISIL Research

Increasing penetration of organised retailing across various key segments, such as food and grocery, consumer durables and pharmacy to boost label demand

The increasing growth in key segments, along with a rise in organised retail penetration, is expected to drive label demand. Organised retailer penetration is expected to increase for food and grocery, consumer durables and others such as cosmetics.

Fig 15: Consumer durables, apparel and footwear to drive growth in organised retail

Organised retail		**FY17**		**FY20P**		
Segments		**Market size (₹ billion)**	**ORP (%)**	**Market size (₹ billion)**	**ORP (%)**	**3-year CAGR (%)**
Food and grocery		733	2.8	1,555	4.1	27-29
Apparel		987	18.0	1,716	20.1	19-21
Footwear		178	17.1	309	19.0	19-21
Furniture, furnishing & household equipment		142	5.6	256	7.4	21-23
Pharmacy		66	4.5	99	4.5	14-16
Consumer durables		191	28.4	290	30.8	15-17
Books and music		111	5.4	115	3.8	0-1
Others		1,060	11.6	1,955	13.7	22-24
Total organised retail		**3,468**	**7.1**	**6,296**	**8.8**	**21-23**

Note P – projected, ORP – organised retail penetration

Source: CRISIL Research

➢ ***Healthy growth in packaging industry***

We expect the packaging industry to grow at 7-8% CAGR driven by higher demand from key end user segments. Pharmaceuticals, alcoholic beverages, food products, and personal care sectors are expected to be the key growth drivers. The increased focus of FMCG (fast-moving consumer goods) companies on innovative packaging concepts that offer scope for enhanced aesthetic value and an extended shelf life is also expected to propel demand. Growth in packaging industry is expected to be one of the key demand drivers for the label printing industry.

➢ ***Growth in branded consumer food consumption***

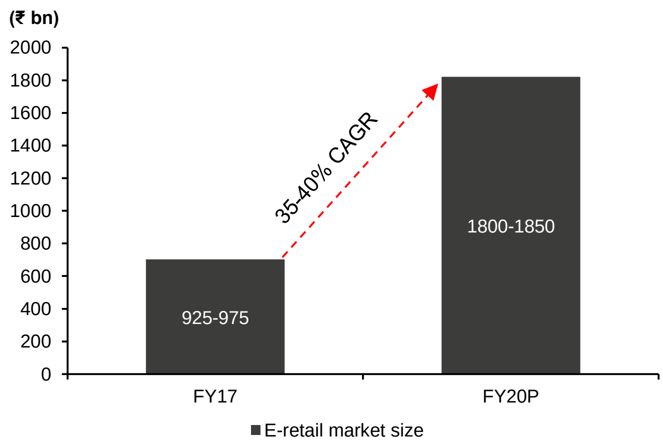
Low penetration of processed foods: Penetration levels (defined as volume of processed foods divided by the total volume of food in that segment, after adjusting for input-output norms) of consumer foods in India is only about 10%. The rise in urbanisation and change in consumer lifestyles, would lead to higher consumption of processed foods.

Innovation in product mix and packaging, and catering to markets across price points: Increasing focus on taste, quality and better packaging is leading to higher shelf-life of products in the consumer foods industry. Companies are also increasingly manufacturing products across price points, and innovating products to cater to different consumers with varying tastes and preferences. We expect this will lead to a significant rise in the penetration of various segments within the consumer foods industry, leading to a sharp growth in the industry over the medium term.

➢ ***E-retail to drive product security labels during transit packaging***

Packaging for transit is expected to benefit from rapid growth in e-commerce. The industry is still at a nascent stage and will grow to meaningful size in years to come. Security of the product is a key concern for the industry. This is expected to drive demand for product security labels like tamper evident labels and authentication labels in line with transit packaging demand. CRISIL Research projects the Indian e-commerce sector to clock a healthy 35-40% CAGR between FY17 and FY20. Apart from primary growth drivers such as increasing internet penetration, pick-up in economic growth, higher disposable incomes, and rising urbanisation, factors such as user-friendly interface of the portals offered by players, ease of shopping, increasing awareness, relatively higher pricing discounts (in comparison with brick-and-mortar stores), easy delivery and innovation, have propelled growth.

Fig 16: E-retail market expected to grow at 35-40% CAGR over FY17-20



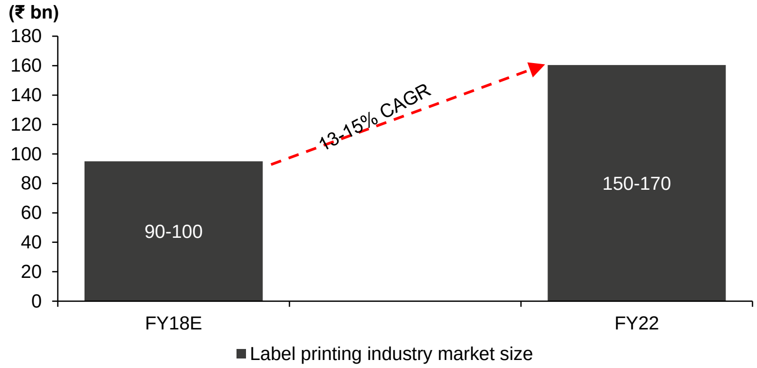
Source: Industry; CRISIL Research

➢ ***Growth in security labelling driven by need to negate counterfeiting***

Owing to risk of counterfeiting as well as increasing awareness of brand protection among manufacturers is expected to drive growth in security labelling. Also increasing consumer awareness regarding adverse impact of counterfeit goods is expected to boost growth. As a result, demand for labels incorporating security features or identifiers or authentications enabling brand protections is expected to grow.

Indian label printing industry to grow at 13-15% CAGR over FY18-22

Fig 17: Indian label printing industry estimated to reach ~₹150-170 billion by FY22



Source: Industry; CRISIL Research

Globally label printing industry is set to grow by ~3-4% CAGR from CY17-22 driven by economic growth, positive demographic shifts in the emerging economies as well as growth in end-user industries. Globally, pressure-sensitive labels are the most popular, and are their share of usage is increasing compared to the wet-glue type. With favourable demographics, growth in end-user industries, growth in the packaging industry, rising orgainsed retail penetration, we expect the Indian label industry to grow at a ~13-15% CAGR to ~₹150-170 billion by FY22 from ~₹90-100 billion in FY18.

Pressure sensitive labels to grow faster than the overall label printing industry

As mentioned above, pressure sensitive labels are expected to grow faster than the overall label printing industry and increased its share in the industry. Ease of use and versatility are key reasons behind the growth of the pressure sensitive labels. Hence, we expect the pressure sensitive label segment to grow at a robust 15%+ CAGR over FY18-22.

Label printing industry largely fragmented with relatively few large players; however, consolidation in the industry to pick up pace

The label printing industry in India is highly fragmented with a large number of players operating in the industry. There are relatively few large companies, followed by a large number of small printers. There are also larger packaging companies that have presence in the labelling space, along with other segments of the labelling industry.

With rising consumer demand for branded products and increasing organised retail penetration, we expect the packaging industry to consolidate with organised packaging players gaining share from the unorganised players. This is also expected to aid the label printing industry becoming more organised. Going forward, we expect the label printing industry to comprise majorly medium and large players, with small and micro players exiting the industry or consolidating.

Also brand protection/anti-counterfeiting solutions have gained prominence recently owing to rising threat of counterfeit products leading to economic and reputation losses. This has led to emergence of labels with security features such as barcode, holograms, RFID etc. As usage of technology oriented packaging and labelling solutions increase, the organised label printing players are expected to benefit as it requires technological prowess.

We consider the following organised players for comparison in our sample set:

Table 4: Peer group selected for comparison

Players	Description	Regional presence
Webtech Labels (A division of Huhtamaki Ltd)	Established in 1997, the company is in the business of self-adhesive labels. It is a division of Huhtamaki PPL, a player operating in the flexible packaging space.	Manufacturing facilities in the west, south and north

Players	Description	Regional presence
Skanem Interlabels Industries Pvt Ltd	Incorporated in 1995, Interlabels India operates in the label printing space. In 2012, the majority stake was acquired by Skanem. Founded in Norway in 1905, Skanem offers labelling solutions across industries. It is present across nine countries in Europe, Asia and Africa.	Manufacturing facilities in the west, northeast and north
Zircon Technologies (INDIA) Limited	Incorporated in 1999, Zircon Technologies operates in the label printing industry. It also offers solutions in the brand protection space.	Manufacturing locations in the north and south
Mudrika Labels Pvt Ltd	Incorporated in 1997, Mudrika Labels operates in the pressure-sensitive/self-adhesive, in-mould label spaces.	Manufacturing locations in the west
Syndicate Printers Ltd	Incorporated in 1983, Syndicate Printers Ltd caters to the demands of various customers in the labelling and the ticketing Industry in India and globally. The company also provides wristbands and stationary products.	Manufacturing locations in the north

Considering the above set of players in India’s label printing industry, there are the following observations:

- Among our sample set of players, revenue for Zircon grew at a 22.4% CAGR over FY13-17 to ~₹800 mn in FY17.
- Zircon also had the highest growth in EBITDA over FY13-17 with a CAGR of 16.2%.
- Average EBITDA margin over the period considered was the highest for Syndicate Printers, followed by Webtech Labels.
- Average return on equity of 16.5% for Zircon was highest among the sample considered. Syndicate Printers had the highest average return on capital employed (ROCE).

Table 5: Comparison with selected peer set on financial parameters

Source: Company filings; CRISIL Research. Note: NM – not meaningful; NA: Not available
* - for Webtech Labels was a subsidiary of Huhtamaki PPL Ltd, however it was merged in 2016 with Huhtamaki PPL Ltd. Also numbers for Webtech are for the calendar year. For e.g. the numbers for Dec-15 are shown in the table under FY16.

Particulars	FY17	FY16	FY15	FY14	FY13
Revenue (₹ mn)					
Skanem Interlabels Industries Pvt Ltd	1,314	1,058	929	933	901
Webtech Labels (Division of Huhtamaki PPL)*	NA	941	901	790	NA
Zircon Technologies (INDIA) Limited	800	787	630	457	357
Mudrika Labels Pvt Ltd	390	323	343	292	248
Syndicate Printers Ltd	402	352	321	379	302
EBITDA (₹ mn)					
Skanem Interlabels Industries Pvt Ltd	78	1	(40)	60	131
Webtech Labels (Division of Huhtamaki PPL)	NA	164	175	156	NA
Zircon Technologies (INDIA) Limited	114	108	96	61	63
Mudrika Labels Pvt Ltd	50	39	34	26	29
Syndicate Printers Ltd	95	93	93	72	66
EBITDA margin (%)					
Skanem Interlabels Industries Pvt Ltd	5.9%	0.1%	-4.3%	6.5%	14.5%
Webtech Labels (Division of Huhtamaki PPL)	NA	17.5%	19.4%	19.7%	NA
Zircon Technologies (INDIA) Limited	14.3%	13.8%	15.3%	13.3%	17.6%
Mudrika Labels Pvt Ltd	12.8%	11.9%	10.0%	8.9%	11.6%
Syndicate Printers Ltd	23.7%	26.4%	29.0%	19.0%	22.0%
PAT (₹ mn)					
Skanem Interlabels Industries Pvt Ltd	(16)	(96)	(105)	10	46
Webtech Labels (Division of Huhtamaki PPL)	NA	37	39	33	NA
Zircon Technologies (INDIA) Limited	38	37	32	7	13
Mudrika Labels Pvt Ltd	12	6	9	9	7
Syndicate Printers Ltd	6	17	49	42	35
Return on equity (%)					
Skanem Interlabels Industries Pvt Ltd	NM	NM	NM	3.6%	NA
Webtech Labels (Division of Huhtamaki PPL)	NA	7.5%	8.6%	8.0%	NA
Zircon Technologies (INDIA) Limited	17.8%	21.3%	22.9%	6.3%	14.1%
Mudrika Labels Pvt Ltd	7.9%	4.7%	7.5%	7.7%	6.9%
Syndicate Printers Ltd	2.3%	6.6%	19.9%	21.1%	20.6%
Return on capital employed (%)					
Skanem Interlabels Industries Pvt Ltd	9.0%	NM	NM	8.3%	NA
Webtech Labels (Division of Huhtamaki PPL)	NA	13.9%	13.9%	12.6%	NA
Zircon Technologies (INDIA) Limited	12.8%	17.7%	16.6%	10.8%	11.7%
Mudrika Labels Pvt Ltd	12.2%	9.6%	10.5%	12.2%	14.7%
Syndicate Printers Ltd	1.9%	5.5%	13.8%	23.9%	26.8%

Please note that the companies in the selected peer set may also operate in different segment along with labels, thus to that effect numbers may not be strictly comparable.

Standalone numbers for Zircon Technologies (India) Ltd are considered based on availability in public filings.

Assessment of the brand protection/ anti-counterfeit solutions industry in India

Counterfeiting is a type of infringement of intellectual property. Through patents, registered trademarks and copyrights, entities ensure that commercial benefits arising out of their products/services go to the owner of the patent/trademark/patent. Counterfeiting entails unauthorised or illegal usage of a brand or trademark on products which are inferior in quality versus the original product.

Scale of counterfeiting is large globally with significant adverse consequences resulting in significant brand protection market

- Counterfeiting is a global phenomenon impacting a wide array of goods ranging from industrial goods to common consumer products. An ever-growing global threat, counterfeit products can also pose safety risks to consumers, thereby raising public health, economic and societal costs.

- According to industry sources, the global market of counterfeit goods was estimated between US$700 billion – US$900 billion in 2013 indicating the huge scale of counterfeit market.

- The huge counterfeit market along with the significant impact is a serious issue. This has led to growth in brand protection/anti-counterfeit packaging market. The loss to government/nations as result of foregone tax revenues was estimated to be in the range of US$80 billion – US$100 billion.

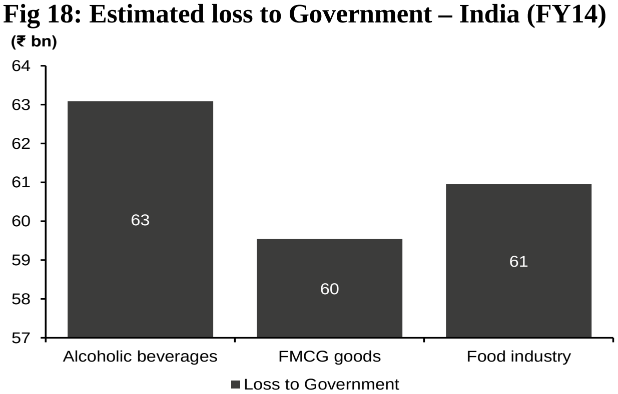
- The significant and prevalent counterfeiting market along with significant losses and adverse impacts have led to growth of anti-counterfeiting packaging industry. According to estimates, the global anti-counterfeit packaging market size is ~ US$100 -120 billion in 2017. The same is expected to grow at 14-16% CAGR over CY17-22.

Indian counterfeiting market significant leading to rise in anti-counterfeiting solutions market

- Counterfeiting is a huge menace even in India. It is difficult to accurately estimate the size of counterfeit market due to its informal nature. Various sources peg the industry to be of different sizes. As per Authentication Solutions Providers Association the counterfeit goods market is continuously increasing and is estimated to be more than ₹400 billion in 2018. Another FICCI – KPMG report pegged the counterfeit goods industry at ~₹1.05 trillion in 2014.

- Governments lose material tax revenue due to counterfeit products as there are typically not part of the formal economy. As seen, the estimated loss to government due to counterfeit alcoholic beverages was ₹65 billion in 2014. Counterfeiting also leads to loss of employment opportunities.

Fig 18: Estimated loss to Government – India (FY14)



Source: Industry estimates

Adverse impact of counterfeiting manifold:

All stakeholders face impact of counterfeiting for the customer, manufacturer/brand owner and even Government. Some of the crucial impact of counterfeit goods are as below:

Economic loss: Economies and industries are exposed to significant losses every year due to counterfeiting. Governments lose material tax revenue due to counterfeit products as there are typically not part of the formal economy. For example, due to fake tobacco based products, governments across the globe lose their share of the revenue. This, in turn, impacts the public spending and growth of the formal economies. Additionally, revenues of companies may also suffer due to the impact of counterfeit products.

Impact on innovations: Companies spend significant amount of money in developing the product, marketing and creating a distribution channel. However, due to counterfeiting, companies lose benefits from its investment in creating the product with the requisite quality and brand. This can potentially discourage companies impacting their innovation and growth.

Consumer health and safety: Typically, counterfeit products are not subjected to the same quality standards and rigour that original/patented products go through, translating into potentially fatal dangers to the consumers. As a result, counterfeit products in medicines, consumer foods, medical devices, automobiles, airlines, and alcoholic beverages pose material threat to health and safety of the consumers. For example, fake medicines have claimed several lives across the globe in the past, while fake parts have been linked to airline crashes.

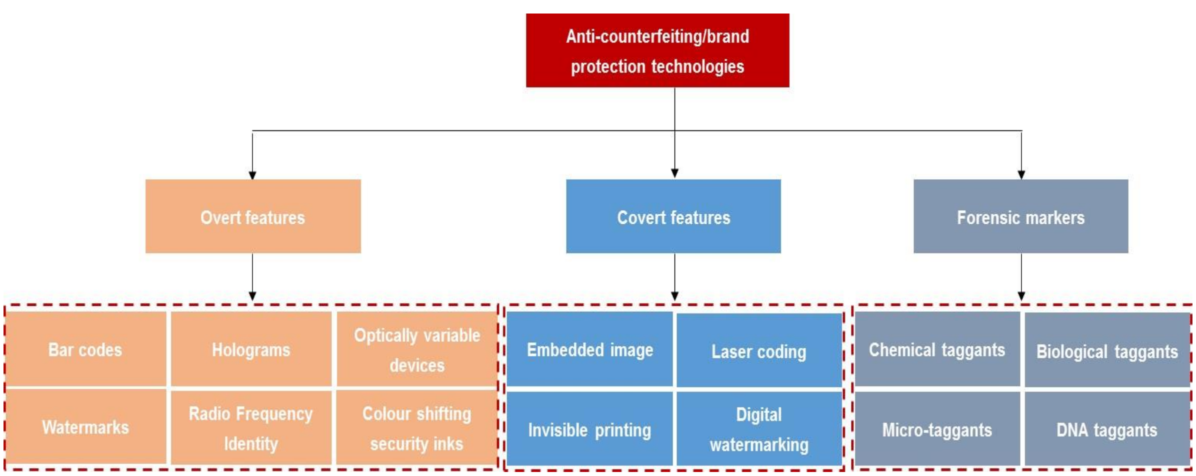
Environment: Counterfeit products may not be manufactured in line with complying the environmental rules. This can have a serious impact on the nearby environs as the product may contain cheap, toxic materials which can potential be harmful for the environment.

Societal impact: Counterfeiting leads to impact on companies which produce and markets genuine products. Owing to economic impact of counterfeiting, job creation at these companies is impacted. Also, working conditions at companies manufacturing counterfeit products may be less than ideal, as such companies may also not adhere to regulations pertaining to working conditions and other labor laws. All this highlights the huge socio-economic impact of counterfeiting.

Brand protection/ anti-counterfeit solutions majorly classified as overt and covert

Counterfeiting puts brands at risk and to address the issue, various anti-counterfeiting/brand protection technologies have been developed. Majority of the anti-counterfeiting features can be applied at the packaging level while some of the features can also be implemented directly at the product level. Broadly, these technologies is categorised into overt and covert.

Fig 19: Brand protection/ anti-counterfeit solutions



Overt technologies involve user for authentication

Overt technologies aim to easily enable consumers to identify the authenticity of a product. The features are generally visible prominently on the product, and are difficult to replicate. The features are applied to the products in such a way that it is difficult to be removed/replaced, without resulting in identifiable damage to the product.

Advantages of overt technologies:

- User can easily verify the authenticity of the product, without the need of any external devices
- Cannot be easily replicated without sophisticated means
- Packaging with the overt technologies adds to the appeal of the product by signalling authenticity

Disadvantages of overt technologies:

- Requires user awareness to identify the authentic products
- Some of the overt technologies are becoming increasingly prone to replication, as holographs or color-shifting inks can be duplicated. This also necessitates regular update of these technologies.

The various types of overt technologies are outlined below -

- **Holograms:** A hologram, made largely out of polyester film base, incorporates an image with some illusion of three-dimensional construction. The holographic image is viewable by the human eye when tilted in light. Holograms are more effective, when incorporated in a tamper-evident feature. However, holograms are prone to duplication and also do not provide features, such as automated data capture and product identification.

- **Optically variable devices (OVD):** An OVD is an iridescent image used in bills, bank notes, security papers, credit cards and passports. It involves image flips/transitions and colour transformations. Similar to holograms, they are typically made up of a transparent film, which serves as the image carrier.

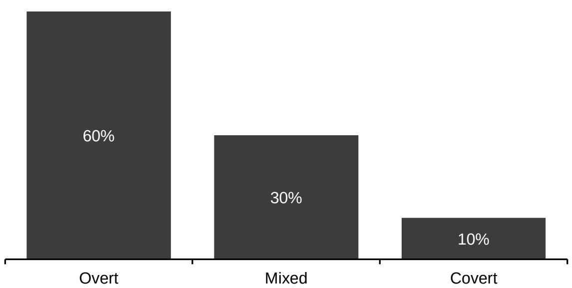
- **Bar codes:** Bar code includes a combination of black and white bars which represents different text characters. It is optical and machine readable representing data about the product i.e. includes information about product identity.

- **Radio frequency Identity (RFID):** RFID involves storing information on a tag which is read using radio waves. The tag includes a microchip to store and process information, and an antenna to receive and transmit a signal.

- **Watermarks:** Watermarks which are typically seen in currency are images or patterns that are embedded into the design of a package.

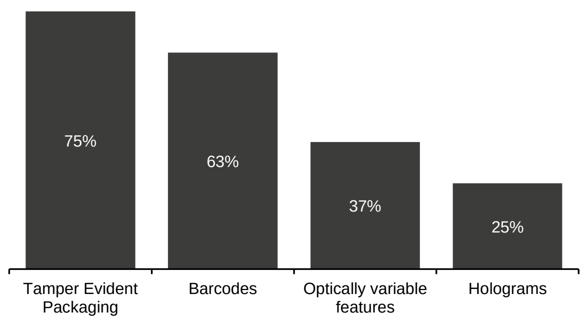
- **Colour-shifting security inks:** Colour shifting inks contains unique type of pigments that changes colour according to the angle of the light. The inks makes it difficult to reproduce the original effects of the document.

Figure 20: Anti-counterfeiting technology usage in FMCG sector in India (2014-15)



Source: CII

Figure 21: Break up of over technology used in the FMCG industry (2014-15)



Source: CII; Note: Figures adds up to more than 100% as companies also deploy combination of technologies

Covert technologies require special equipment for decoding; however, there is no user involvement

Covert technologies or features enable only the brand owner to identify counterfeit products, due to their hidden features. These features are technology intensive and require scanning devices and/or special reading. Hence, the consumers are unaware of these features. These features are difficult to copy.

Advantages of covert technologies:

- Doesn't involve user while purchase
- Difficult to replicate, compared with other counterfeit prevention technologies

Disadvantages of covert technologies:

- Requires special reading and scanning devices
- Requires very strict secrecy
- More advanced options add to the cost and complexity

The various types of covert technologies are outlined below -

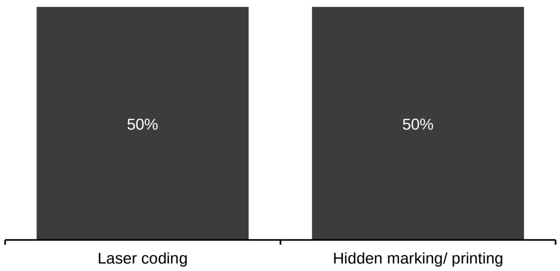
- **Embedded Image:** Under this technique, an image or text is embedded within the package through graphics for authentication and can only be viewed using special filter or magnifying glass.

- **Laser coding:** This uses the laser technology to mark or engrave an object. It can be applied to cartons, labels, plastic and metal components.

- **Invisible printing:** This technique uses special inks to print markings that are invisible under normal light, but visible under ultraviolet light. The inks could be stamped as barcodes or QR codes on any substrate, whether banknotes, bottles of whisky, handbags or cosmetics.

- **Digital watermarking:** Digital watermarking with a universal product code data can be printed over the full surface of a package (however, it is invisible to the naked eye), thus eliminating the need to scan specific parts of the product. Consumers can use their smart devices and get relevant information, such as nutritional information, recipes and instructional videos, by just pointing their smart devices at the package. Digital watermarking includes benefits of standardised information about each product.

Fig 22: Break up of covert technology used in the FMCG industry (2014-15)



Source: CII

Forensic markers – a technology based solutions to counterfeit goods

There is a wide range of high-technology solutions that require laboratory testing or dedicated field test kits to scientifically prove the authenticity of products. These are strictly a sub-set of covert technologies, but the difference lies in the scientific methodology required for authentication. The various types of forensic technologies are:

- **Chemical taggants:** Chemical taggants can only be detected by highly specific reagent systems and are not detectable by conventional analysis.

- **Biological taggants:** Biological taggants too are untraceable by conventional analysis and requires "lock-and-key" reagent kits to authenticate. Biological taggants are typically incorporated into formulations and coatings at low levels in the parts-per-million range or lower.

- **Micro-taggants:** Micro taggants include microscopic particles and contain coded information to uniquely identify each variant by examination under a microscope. These can be uniquely encoded in liquids or on solid materials and are difficult to duplicate.

- **DNA taggants:** A unique DNA taggant with "lock and key" reagent systems is added to ink and printed on to labels. Ideally, bespoke kits and scanners are used to detect the DNA markers. This anti-counterfeiting solution is virtually impossible to replicate.

Rampant counterfeiting and rising awareness of its adverse impacts to drive growth of anti-counterfeiting/ brand protection solutions market in India

Globally corporations are continuously using and adopting anti-counterfeit technologies to protect their brands and products. In India, usage of anti-counterfeiting technology is still at a nascent stage and the industry is much smaller compared to the global industry. As per industry sources, penetration of anti-counterfeiting technology is less than 5% across most of the sectors/ end user industries indicating good potential for growth in the future. With counterfeiting growing at a rampant pace brand protection and anti-counterfeiting solutions industry are bound to grow. Brand protection/ anti-counterfeit solutions industry is expected to grow at a robust pace owing to increasing awareness of consumers, adverse economic and reputation impact of counterfeiting on brands as well as advancement of technology facilitating anti-counterfeit solutions.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in "Risk Factors" on page 17. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from the CRISIL Report. This section should be read in conjunction with the "Industry Overview" on page 103.

Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information, included in this Draft Red Herring Prospectus on page 178.

Overview

We are a company engaged in the business of label printing for packaging of products and brand security solutions. Our business is supported by our in-house research and development ("**R&D**") process which is complemented by our existing infrastructure facility. We develop and offer a variety of labels and brand security solutions to a large number of national as well as international companies. We help our customers in decorating their brands with our high quality labels customized to suit their technical and aesthetic specifications as well as protecting their brands and the packages of their products from tampering and counterfeiting.

We also have an advanced in-house R&D division which has resulted in several technological breakthroughs including some of our recent developments such as a high scratch resistance coating technique and a special technique for a mirror-like glossy finish coating on our products. In our brand security solutions segment, we integrate high security graphics and other security elements onto the labels and brand images that we produce for our customers. We have also offered our technology of our high security graphics design and printing segment to a large European company under a licensing agreement in 2013 for which we receive royalty income. Our high security graphics printing technology was developed through our extensive in-house R&D process. We believe that our brand security technology is capable of successfully penetrating into a large variety of industry verticals and brands.

Our brand security and labeling solutions are designed to suit the specific needs of various industries including homecare, personal care, food and beverage, wine and liquor, pharmaceutical, agro-chemicals, automobile industries as well as industrial products. Our products are in conformity with the industry quality parameters that help in identifying the brands of our customers. Since any label on a product is the first point of interaction between the consumer and the brand, our high quality aesthetic labels facilitate the communication of the unique selling point and the authenticity of the brands and help protect their brand identity from the menaces of counterfeiting and tampering.

Even though our current revenue is predominantly driven by our labeling business, we aim to grow our innovative brand security solutions. We provide our brand security solutions to several large national and international companies and brands, and expect our brand security solutions segment to contribute to 25% of our total revenue by Fiscal 2021. We believe that our brand security solutions segment shall play an important role in the future growth and profit margin of our Company and in establishing our positioning as a technology innovator in the industry.

As on date of filing this Draft Red Herring Prospectus, our product portfolio comprises of self-adhesive labels, security labels, anti-counterfeiting labels, brand security labels and tamper evident labels, hybrid security labels, canister labels and a host of other labeling solutions including techniques for prevention of duplication of prints and anti-counterfeiting.

As on date of filing this Draft Red Herring Prospectus, we have 3 manufacturing units – two in Dehradun and one in Chennai. We aim to set up a dedicated R&D center in Dehradun by 2021, which will be involved in research of creation of new anti-counterfeiting solutions, micro-optics, chemicals and coatings, and printed electronics. Both of our units in Dehradun are ISO 9001:2015 certified for our Quality Management System. We also became the first HD Flexo Certified company in India in May, 2012.

We believe that our brand equity is strongly associated with our position as one of the leading players in the labeling and brand security industry. In recognition of our capabilities, we have been recipients of various awards, which we believe have contributed in creating our strong brand value. We were awarded the 'Tv100 Excellence Award for Innovation in Manufacturing in the Packaging Sector' at the Industrial Excellence Awards, 2016, and were the runners up in the Combination Printing Colour at the Label Awards, 2014, organised by Avery Dennison and the Label Manufacturers Association of India. For further details on the awards and accreditations obtained by our Company, please see *"History and Certain Corporate Matters – Awards and Accreditations"* on page 149.

Our Company is managed by our Promoter and Managing Director, Sanjeev Sondhi, who has over 25 years of experience, including 12 years of experience in the print security and label manufacturing industries. Our Company is also supported by an experienced management team, including our Executive Director, Poonam Sondhi, and our Vice President Operations, Arun H.S. both of whom have over 15 years of industry experience. As of August 31, 2018, we have a total workforce of 342 individuals out of which 149 individuals are employed by us as permanent employees, and 193 persons are hired by us on a contractual basis.

Our net revenue for Fiscals 2018, 2017 and 2016 was ₹ 940.78 million, ₹ 872.00 million and ₹ 775.18 million respectively, and grew at a CAGR of 10.16% over such period. Our EBITDA for Fiscals 2018, 2017 and 2016 was ₹ 161.49 million, ₹ 139.06 million and ₹ 116.56 million, and grew at a CAGR of 17.70% over such period. Our profit after tax for Fiscals 2018, 2017 and 2016 was ₹ 63.81 million, ₹ 24.02 million and ₹ 29.57 million respectively, and grew at a CAGR of 46.90%.

Our operations are aligned into the following business verticals:

Zircon Label

We provide high quality labeling and brand image solutions across several different sectors including but not limited to homecare, personal care, food and beverage, wine and liquor, pharmaceutical, agro-chemicals, automobile industry and industrial production. Labels are one of the most visible and recognizable packaging components and are used in a wide variety of applications serving as the primary means of identification of products by the consumers, while creating shelf appeal and brand recognition for the products.

Labels also have the function of serving as a conduit for fulfilling regulatory requirements, communicating information related to the product to consumers and contributing to product integrity and security. We supply a broad range of pressure sensitive labels, including single-panel, multi-panel, multi-ply and extended content labels, as well as cut & stack labels.

We offer labels made from several different print technologies including UV Flexo, UV Rotary and flatbed screen, gravure and different combinations of them, for different application requirements with innovative finishes for decoration, together with our advanced technology and technical know-how. Our advanced printing equipment is capable of handling print material of thicknesses varying from 12 micron up to 600 micron.

Labels accounted for approximately 95.78%, 96.33% and 97.96% of our total net sales in Fiscal 2018, Fiscal 2017 and Fiscal 2016 respectively.

Zircon Secure

Under our print security segment, we offer high security graphics alone or in combination with different security elements such as OVI, OVD, Taggants, specialized security inks and base materials for anti-counterfeiting purposes. These anti-counterfeiting solutions and tamper evident solutions are the basics of any brand protection program designed to curtail and curb the piracy and false duplication of products, which lead to the dilution of the brand image of our customers.

We offer these brand security solutions under the brand ig-gram which stands for 'intelligent graphics'. We have also applied for registration of the logo ig-gram under class 9, 16 and 40 under the Trade Marks Act, 1999 which are currently pending registration. In this segment, we add an additional layer of security to the package or label which can effectively reduce the difficulties arising due to counterfeiting. Currently we offer brand security on labels. However, by December, 2018, we aim to also offer high security aluminum blisters for pharmaceutical packaging. Our brand security solutions segment accounted for approximately 4.22%, 3.67% and 2.04% of our total net sales in Fiscal 2018, Fiscal 2017 and Fiscal 2016 respectively.

Competitive Strengths

We believe that the following are our primary competitive strengths:

One of the leading players in the labeling segment

We are engaged in the labeling and brand image business since 2006. Our presence in this segment since over 12 years has helped us to understand the constant changing needs and demands of our customers. On account of our long-standing presence in the Indian market and with constant improvement and adoption of technologies, augmented with quality, we believe that we enjoy considerable brand equity and reliability in the industry in which we operate. This is evidenced by our consistent growth as well as our time-honoured relationships with our customers, with a few of whom we have associations existing since over one decade. Our core competency lies in understanding the changing trends, the needs of our clients and accordingly offering innovative solutions to suit their technical and aesthetic requirements.

With the rise in consumer preference for branded products, globalization of international brands and the emergence of e-commerce, the label printing industry has seen substantial growth, and is suggested to have witnessed faster growth than the overall package industry, globally as well as in India *(Source: CRISIL Report).* Therefore, we believe that we have a competitive advantage on account of being one of the leading players and enjoying an established reputation in the label printing industries.

We have successfully obtained the HD Flexo certification which signifies our ability to produce a wide variety of detailed print qualities. We believe that HD Flexo, as well as our other printing capabilities, creative solutions and specialized manufacturing techniques attract new opportunities for our Company and enable us to achieve higher operating margins. Our experience has helped us to achieve the "preferred vendor" status which is supported by the awards that we have received from several key customers, industrial associations and third parties.

Emerging Player in brand security solutions

Under our brand ig-gram we offer a wide array of brand security solutions to our customers to deter counterfeiters from illegally selling fake products under the brands of our customers and deteriorating the quality of their brand image, thereby contributing to the profitability of our customers. We integrate high security graphics onto the labels and brand images which we offer to our customers, which make the said labels and images nearly impossible to replicate with precision.

According to the CRISIL Report, the global anti-counterfeit packaging market size was US$ 100-120 billion in 2017. We believe that we are capable of successfully augmenting our positioning in the global brand security market, establishing ourselves with a sizeable market share and growing to have a successful reputation in the brand security industry.

In Fiscal 2018, the revenue generated from our brand security solutions was ₹ 39.70 million, which represented 4.22% of our total revenue. We believe that by Fiscal 2021, our brand security solutions will contribute 25% of our total revenue.

Diversified range of products appealing to a wide range of industries

We have continuously diversified our product portfolio to address the needs of a diverse range of customers and applications. We are engaged in labeling and brand security for the food and beverage, homecare, personal care, wine and liquor, pharmaceutical, agro-chemicals, automobile industries as well as for industrial products etc. We have optimally utilized our R&D resources and capabilities which have allowed us to keep up with, and even set market trends in the field of labeling and brand security. It is our belief that we have one of the most diverse, advanced and revolutionary portfolios in the labeling industry. We offer a large number of different products in our labels and brand image segment, with several different types of creative finishes, allowing us to mould our services to exactly achieve the labeling and decoration requirements of our customers.

In our brand security segment, we provide a variety of anti-counterfeiting solutions and tamper evident products for different brands. Our security solutions range from high security graphics to tamper evident labels, and act as a deterrent to any kind of manipulation or meddling with the original products of our customers. Our solutions are engineered to help reduce the risks of faking of brands or package pilferage. Under ig-gram we also offer a hybrid product, which is a combination of our anti-counterfeiting solutions and our tamper evident products.

Our primary product ranges, namely labeling and brand image, and brand security solutions find application across all the industries that we cater to. The diversity in our product portfolio enables us to provide customized solutions to multinational companies that market a host of products across diverse geographies. While the requirements and preferences, and technical and aesthetic specifications of customers across geographies may vary, our ability to customize our products or to innovate creative solutions allows us to operate and produce a large number of solutions for our customers.

The following table sets forth the revenue generated by our business verticals in Fiscals 2018, 2017, 2016, 2015 and 2014:

(₹ in million)

Business Vertical	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Zircon Label (Labeling)	901.08	840.01	759.33	585.68	452.42
Zircon Secure (Brand Security)	39.69	31.99	15.85	4.07	-

In house development and adoption of latest technology

Our R&D team has played an integral role in making significant contributions and additions to our product portfolio. The research conducted by our R&D team has enabled us to adopt several new printing techniques and to widen our product profile. A great portion of our profit margin can also be attributed to the consistent efforts of our R&D team.

We believe that we are among the few companies in the printing and labeling industry who have been successful in the development of several new technologies which are commercially viable. We introduced high security graphics for brand security for the cosmetics, pharmaceutical, automobiles, and wine and liquor industries.

We believe that our brand security technology will succeed in replacing the dated and basic labeling practices to a great degree, aligning a security oriented approach with the aesthetic appeal of modern labels. We are backed by our R&D team which includes our Managing Director who plays an integral role in our penetration into new business avenues with the creative application of our technologies and the identification of potential customers enabling us to enjoy a nation-wide presence. This in turn has enabled us to develop a customized range of innovative product offerings.

We believe that we are one of the pioneers who have successfully integrated high security graphics with the commercial graphics on the labels which we supply to our customers. We are currently researching on the development of a seven-colour print system which will help our Company to significantly improve our profit margins, speed of delivery, as well as increase our production capacity by decreasing our job change-over time, which in turn will increase our overall production capacity.

Our several labeling solutions involve a host of different printing techniques, such as flexo, gravure, letter press, rotary and flatbed UV screen, a combination of flexo and gravure, hot foil and cold foil, embossing and debossing. The printing techniques for our labels are product-specific and are suited to meet the requirements of the brand-owner. This also enables us to deliver maximum client satisfaction, with unblemished products and high quality printing, helping us to get repeat orders and add new customers to our client base. Further, our model makes it feasible for us to set up our facilities anywhere to meet customer requirements.

Product design and manufacturing capabilities

Our sophisticated structural and creative pre-press and design skills, and significant experience in printing complex designs, are important competitive strengths. For instance, we are one of the leading providers of labeling and brand imaging solutions that supports the brand images of internationally recognized customers and their products. For these customers, our printing skills and ability to manufacture labels that incorporate design and construction features with intricate graphic and detailed finishing are an important part of marketing their products. We offer our customers a wide range of print processes, special finishes and effects, and a one-stop-shop for all their labeling and brand security needs. Additionally, our printing techniques are beyond the capabilities of most commercial printers. For example, we are capable of merging our high security graphics with commercial graphics, HD Flexo prints, Flexo gravure prints, etc. This one-stop-shop approach allows our customers to reduce the number of suppliers they use, simplify their packaging procurement and maintain strict quality control.

We have modern, advanced and competitive capabilities in our print security bracket. For example, at one of our units, which is primarily dedicated towards the manufacture of high print security graphics, we are capable of printing images and graphics at a thickness significantly lesser than the thickness at which commercial printers are capable of printing. Further, our printing equipment is capable of handling printing material of 12 microns up to 600 microns. This offers us a great versatility and gives us an edge over our competitors in terms of upgrading the dated technology in the brand security industry.

We have comprehensive quality management systems across the value chain right from procurement of raw materials till the delivery of the final products to the customer. We have undertaken various initiatives and adopted various systems and processes in order to strengthen our focus on quality which is crucial for our business, as well as the business of our customers. Each of our manufacturing units is equipped with modern quality checking and testing equipments for quality assurance. We have received quality accreditations including ISO 9001:2015 for our manufacturing units in Dehradun and Chennai. All our units follow the same high standard for quality. Some of our customers have accredited us highly on their quality parameters. An early stage engagement is normally followed with orders and repeats if development is commercially acceptable. Our awards for quality are testimony of compliance with quality standards and help us in getting repeat orders from our customers.

Experienced management with strong industry expertise

Our management team has considerable experience in the labeling and brand image industry, with our Promoter having extensive technical, commercial and marketing skills and over a decade of experience in the industry. The members of our senior management have diverse skills which have helped us to grow and develop products faster. Our management team's skills include expertise in high security products and labels, as well as proficiency in marketing, sales management, strategic sourcing, supply chain management, domestic capital raising and implementing expansion projects. We believe that our experienced and dynamic senior management team has been key to our success. The vision and foresight of our management enables us to explore and seize new opportunities and to introduce new products to capitalize on the growth opportunities in labeling and brand security industry.

For further details of our key managerial personnel, please refer to chapter titled '*Our Management*' beginning on page 154.

Business Strategies

Our business strategies are focused on the following elements:

Increasing focus on our brand security business

Our brand security business accounted for 4.22% of our revenue in Fiscal 2018 having generated ₹ 39.70 million. Further, as on date of this Draft Red Herring Prospectus, only one of our units in Dehradun is engaged in manufacture of our brand security prints and our tamper evident labels, as well as our holograms and foils etc.

However, we believe that although the brand security business is still a niche market in the country, with the surge in cases of counterfeiting of currency and of labels as a result of the capabilities of modern technology, there is a great need for solutions in the anti-counterfeiting field, which will not only aid in brand protection and also in the stability of the economy. The global anti-counterfeit packaging market size was reportedly US$ 100-120 billion in 2017, *Source: CRISIL Report*. We believe that we are capable of successfully penetrating the global brand security market and establishing ourselves with a sizeable market share and growing to have a successful reputation in the brand security industry.

We continue to invest in our advanced manufacturing plants and R&D process, as well as our design centers to enhance our ability to serve and grow with our customers. This, coupled with our design and development capabilities will enable us to provide more innovative solutions to our customers for preventing the spread of imitations and fake likenesses of their products.

Further we also aim to diversify our product portfolio in our brand security vertical in order to increase our customer base for the same and to increase revenue generated by this segment.

Increased focus on packaging business

We intend to expand our operations from the label industry to the packaging industry in the form of canisters and shrink sleeves. We intend to expand into liquor as well as the beverages, food and packaging industry with our canisters and shrink sleeves. We have commenced production of canisters in our existing facility in Dehradun and aim to grow this segment. We aim to set up our manufacturing unit dedicated to the manufacture of canisters, labels and shrink sleeves and other packaging solutions in Dehradun. See "*Objects of the Issue*" on page 85.

Such forward integration shall require additional resources, capital investment, market research, thereby expanding our business of operations. We aim to achieve forward integration to initiate quality up-gradation and value addition to enhance global competitiveness.

Diversifying our product portfolio through research and design

The labeling industry is expected to grow at 13-15% CAGR to ₹ 150-170 billion by Fiscal 2022 driven by higher demand from key end user segments. Pharmaceuticals, alcoholic beverages, food products, and personal care sectors are expected to be our key growth drivers. The increased focus of FMCG (fast-moving consumer goods) companies on innovative packaging concepts that offer scope for enhanced aesthetic value and an extended shelf life is also expected to propel demand. Growth in the packaging industry is expected to be one of the key demand drivers for the label printing industry. *(Source: CRISIL Report)*.

In addition to the expected growth in the labeling industry, our R&D division is also currently focused on the development of the following products and solutions:

(i) Micro optics to work in the field of brand security;
(ii) high security documents such as certificates;
(iii) printed electronics; and
(iv) chemicals & coatings.

We also aim to set up a dedicated R&D centre for research in the fields of chemicals & coatings, and printed electronics. We have been focusing on research and innovation with our in-house dedicated division. Currently we are in the process of developing a seven-colour print system. We have also worked along with our customers for developing new products from conceptualization stage, which serves as a testament to our innovation skills. We intend to continue providing such customized products to meet the varied requirements of our customers. We aim to consistently invest in research and design to innovate and develop new products and strengthen our positioning as the preferred solutions provider for our customers.

Our R&D team is persistently attempting to develop new and innovative ways to upgrade the anti-counterfeiting capabilities of our Company. This enables us to effectively counter the menace of the duplication of our clients' products across a variety of sectors and to prevent their brand images from being diluted. We believe that with the optimum utilization of our resources, we can have a diverse product portfolio catering to a sizeable client base.

Further development of our production infrastructure by setting up of a dedicated manufacturing facility

We continue to plan our capital expenditure carefully by focusing on growth avenues for our business. To support the expansion of our business network, we aim to expand our manufacturing facility in Dehradun, to house a dedicated facility for brand security solutions, labels and shrink sleeves to cater to our long-term growth in operations.

We believe this expanded manufacturing facility will support our planned scale of operations and help expand our business network and provide us significant long-term competitive and cost advantage. Further, in addition to expanding our manufacturing capacity, we intend to set up manufacturing facilities in western India, which we believe will help us achieve a pan-India presence and serve our customers more efficiently, besides improving our profit margins.

Business Verticals

Our operations are structured into the following business verticals:

(i) <u>Zircon Labels:</u> Provision of customized labels;

(ii) <u>Zircon Secure:</u> High security graphics and other components for anti-counterfeiting and authentication purposes; and

Zircon Labels

We offer labeling solutions for a wide range of industries such as food and beverage, personal care, homecare, wine and liquor, industrial products etc. For the products manufactured and sold in retail or otherwise by our customers, the label is the one of the most crucial factors in the appearance and appeal of the product, as the label is the first point of interaction between the consumer and the brand. We use high quality material and special inks on the labels, depending on the preference and needs of the customer, and produce a wide array of labels including dual printed labels, no-look labels, paper and laminated labels, filmic labels, vinyl labels, direct thermal and thermal transfer labels, food grade labels etc. All our labels are in compliance with international quality standards.

All three of our manufacturing facilities are engaged in the printing of labels, which are then supplied to our customers through our efficient distribution network. Further our R&D team is engaged in research in relation to the challenging and specific requirements of our labels.

As on March 31, 2018, our label printing and supply business accounted for 95.78% of our revenue. We supply our labels to customers in a variety of sectors, including personal care, homecare, food, liquor and beverage etc. As on August 31, 2018, we had a total of 166 customers for our print label business vertical, constituting 95.00% of our total customer base, including several global brands.

One of the new products currently in the pipeline for our Company in the label printing vertical, is the manufacture of Shrink Sleeve Labels. These labels are ideal for providing 360° decoration to products with exceptionally shaped containers. The shrink sleeve labels are manufactured from mainly polyethylene terephthalate (PET), Oriented polystyrene (OPS) and poly vinyl chloride (PVC) which will be primarily sourced by us locally. The shrink sleeve labels will be manufactured and supplied to our customers out of our unit in Dehradun and we expect the production to commence by the fourth quarter of the Fiscal 2019.

We also intend to expand our operational process from the label industry to the packaging industry in the form of canisters for the liquor industry as well as the beverages, food and packaging industries. We aim to set up our manufacturing unit dedicated to the manufacture of canisters, labels and shrink sleeves and other packaging solutions in Dehradun. See "*Objects of the Issue*" on page 85.

With such a diverse portfolio of products in our print label vertical alone, we are in a position to suitably meet the needs of any potential client. Further, in light of the growth of the organised retail sector, since labels play an integral role in improving the aesthetic appeal of a product, we expect a considerable increase in the demand of our labels. This is in light of our already long-standing presence in the industry and the expected increase in the supply of goods within the industry in which we operate.

Zircon Secure

Our Company made its entry in the print security industry in the year 2013, after conducting a few years of intensive research by our research and development team. In 2009, we identified the need for preventing counterfeiting of products and documents in the market and began conducting in-house research and development for solutions and products to make duplication of prints difficult. Thereafter, in 2012, we developed our first product in the print security segment, which was the design of high security graphics, the technology for which we licensed for royalties to a large European company in 2013.

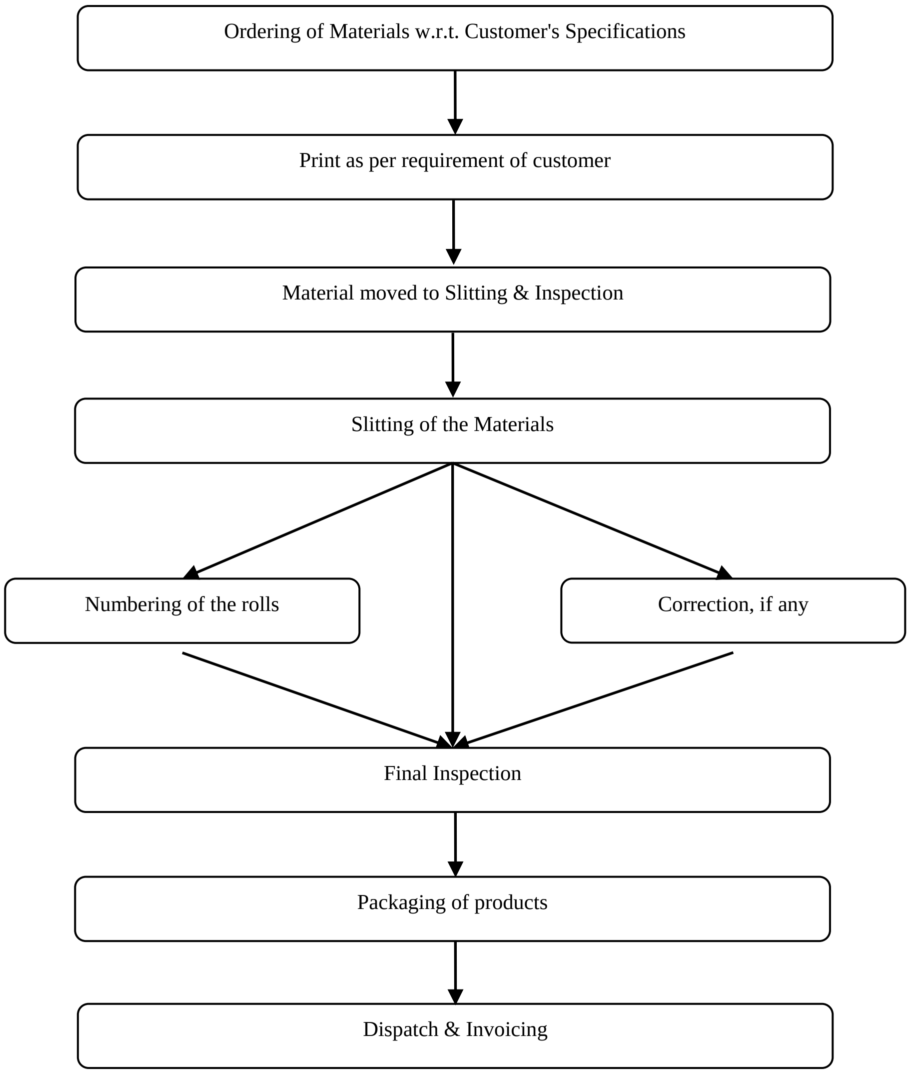
In the security segment, we produce complex high security graphics which are used in preventing the duplication of printed material used in a diverse range of industries, such as automobile spare parts, pharmaceuticals, food and beverages to prevent the sale of fake products which can pose a threat to the life of the consumer, and a threat to the brand image and the profitability of the brand owner. We assist our customers in employing effective strategies to stop counterfeiting. Together with our dedicated R&D team, we are able to invent modern and innovative ways to prevent the duplication of the products and pilferage of the packages offered by our customers. Our products in this segment include high security labels, tamper evident labels, and hybrid security labels, with or without, taggants, OVIs, OVDs, security inks etc. for offering anti-counterfeiting, authentication and tamper evident features.

As on March 31, 2018, our print security business generated ₹ 39.70 million revenue, constituting around 4.22% of our net revenue from operations for Fiscal 2018. However, our aim is to have 25% of our revenue generated by our security business by March, 2021.

Manufacturing Process of the production of our Products:

The following charts depict the process by which we manufacture our key products:

1. Labels:


Ordering of Materials w.r.t. Customer's Specifications
Print as per requirement of customer
Material moved to Slitting & Inspection
Slitting of the Materials
Numbering of the rolls
Correction, if any
Final Inspection
Packaging of products
Dispatch & Invoicing

Designing: Our label designing process is undertaken by our dedicated design and graphics team which ensures innovation and creativity for making distinctive and aesthetically attractive labels based on our customers' specifications.

Raw Material: Based on specific design, technical and aesthetic requirements of the particular customer, we source the requisite raw materials from our local suppliers.

Printing: Once we determine the paper and the printing machine with the specific features to suit the needs of the customer, we begin the printing process as per the design specifications provided by our customers and developed by our graphics design team.

Slitting and Inspection: Once the printing process is complete, the master roll is subjected to a slitting machine, which slits the master or jumbo rolls into further smaller rolls as per the requirements of the customer. Parallel to the slitting process, our output labels are individually inspected and carefully scrutinized for any defects in their print, shape or size to ensure quality control.

Correction: Once the labels are inspected, the ones which contain any defects are subjected to a correction process. The correction process is automatic wherein our advanced machinery pauses to check for blank spaces on the rolls and thereafter, labels are manually affixed onto the blank spaces.

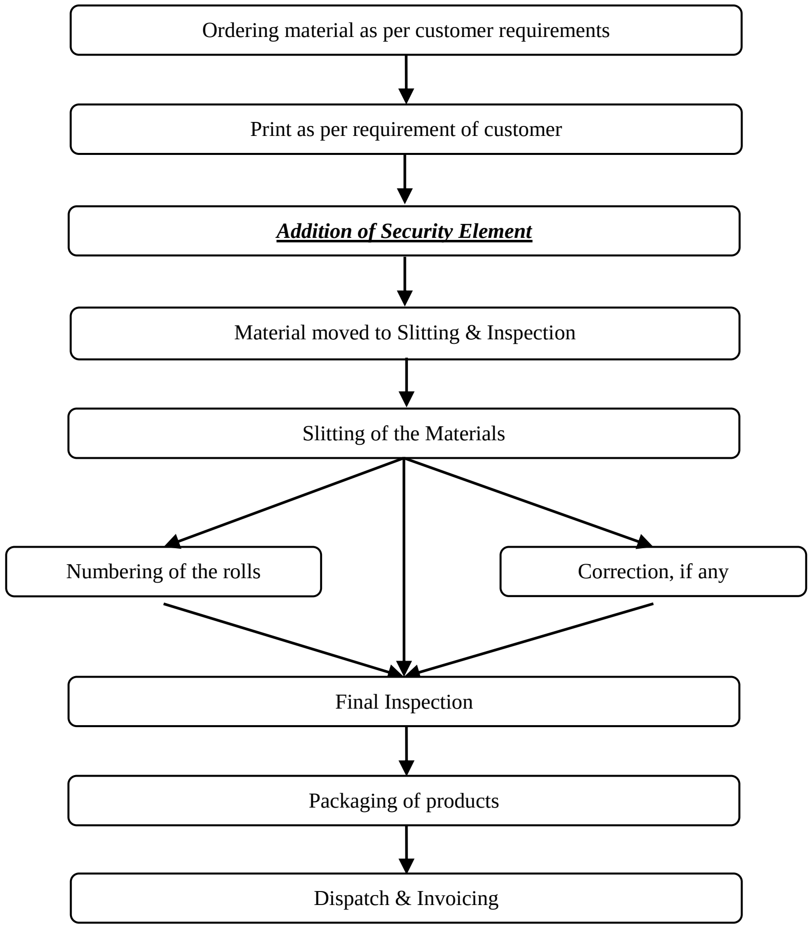
Numbering: This is an optional process, which depends on the customer requirement. Once the batch is completed, the labels undergo a numbering process wherein numbers are printed on the liner of the label's backside in an ascending or descending manner as per customer requirements.

Final Inspection: The final printed labels are inspected to ensure that none of the labels to be dispatched for end use to our customers contain any defects. This process of correction and final inspection greatly reduces the risk of supplying products with any defects, thereby ensuring customer satisfaction and repeat orders.

Packaging of Products: Once the labels clear our final inspection stage, they are packed with care in cardboard packaging boxes in order to protect and preserve them during transit to ensure that they reach our customers in a secured and undamaged condition.

Dispatch and Invoicing: Our dispatch process involves a co-ordinated system of preparing the labels for transport, logistics, sale, and end use. Raising of invoices is handled by our committed accounts department for the timely settlement of payments, thereby contributing to our overall profitability.

2. High security print graphics:



The manufacturing of our high security labels involves an additional stage, wherein once they are printed we integrate our self-designed high security graphics onto the labels, prior to the slitting process.

We use our advanced printing machinery and modern technology to print our high security graphics, which we then align with the aesthetic factor of our labels.

Sales and Marketing

We have an effective sales and marketing team which has presence across India, which focus on our customer acquisition strategies. Our sales research team is focused on acquisition of new customers and its core function is the identification of potential customers through a study of new products in the markets and the major players in various product markets. Once our potential customers have been identified by our sales research team, our sales team approaches the said potential clients to pitch our capabilities and several offerings, and for negotiating the terms of our business relations. Our sales team is in operation in several parts of India, maximizing the potential acquisition of customers. In Fiscals 2017 and 2018, we had a total of 227 and 205 customers respectively across all our business verticals. In Fiscal 2018, we spent a sum of ₹ 16.60 million on our sales research team and our sales team, which constitutes 1.90% of our total expenditure for Fiscal 2018.

Manufacturing Facilities

As on the date of this Draft Red Herring Prospectus, we have three manufacturing facilities, two of which are located in Dehradun and one is located in Chennai.

The following table sets forth the installed capacity of our products in Fiscal 2018, 2017 and 2016:

Products	Installed Capacity as on March 31, 2018 (in number of units)	Capacity Utilization (%) in Fiscal 2018	Installed Capacity as on March 31, 2017 (in number of units)	Capacity Utilization (%) in Fiscal 2017	Installed Capacity as on March 31, 2016 (in number of units)	Capacity Utilization (%) in Fiscal 2016
Zircon Label	27,302,400	55	23,846,400	60	16,934,400	69
Zircon Secure including packaging security	6,825,600	7	5,961,600	6	4,233,600	5

Raw Materials

The primary raw materials required to manufacture our products are pressure sensitive adhesive label material, decorative foils, inks and varnishes including stores, spares, dies and plates. The cost of materials consumed used in our manufacturing process accounted for 77.59%, 75.84% and 76.87% of our operational expenses in Fiscal 2018, 2017 and 2016 respectively.

We presently procure our raw materials based on our requirements on an ongoing basis. We have strong relationships with most of our suppliers, although we have not entered into any long-term contracts with any of them. We procure all of our raw materials by way of purchase orders on an ongoing basis and therefore, are required to pay the market rate of such products.

Quality Control, Testing and Certifications

Our quality policy is focused on fulfilling customer requirements through reliable products and solutions aimed at continual improvement of our quality management systems and meeting all our customer's regulatory requirements. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers. Our quality control programs at most of our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations. In recognition of our quality standards, we have been accredited with the ISO 9001:2015 certification for all of our manufacturing facilities, for the design, manufacture and supply of a variety of our products.

Research, Design, Technology and Innovation

In order to offer new and varied products to our customers, we focus on creating innovative designs with an emphasis on quality. Our R&D team is dedicated to innovating new solutions for in-house usage as well as for supply to our customers or third parties. Our aim is to be a provider of complete solutions for the labeling and brand security needs of our customers. We believe that we are capable of creating a strong infrastructure to develop newer products and solutions.

In 2013, we also licensed our high security graphics technology to a major European company for which we receive royalties. Our advanced R&D process is currently engaged in research in the fields of Micro Optics, printed electronics, high security documents and chemicals & coatings.

Our R&D process has led to several technological breakthroughs including a high scratch resistance coating technique and a special technique for a mirror-like gloss on our labels. Our R&D team has made several noteworthy contributions and additions to our brand security segment. Our R&D team, which includes our Managing Director, is persistently attempting at developing innovative upgradations to the quality of our labels and to our anti-counterfeiting abilities, and has been instrumental in developing novel technologies and solutions such as track & trace solutions and a technique to create the illusion of kinetic motion through our prints. Currently, our R&D team is also engaged in research on the development of a seven-colour print system which, we believe, will significantly improve our profit margins, speed of delivery and increase our production capacity by decreasing our job change-over time, which in turn will increase our overall production capacity.

Suppliers

We have entered into various arrangements with certain companies for procuring the raw material, packaging material and related material that we require for our production and operations. We have strong relationships with most of our suppliers, although we have not entered into any long-term contracts with any of them. Most of our suppliers have a global presence. We source our raw material from our suppliers on the basis of purchase orders.

Employees

As on August 31, 2018, our Company has 124 employees across our manufacturing facilities in Dehradun and Chennai and 25 employees in our corporate office in Dehradun and registered office in Delhi. We place special emphasis on the training of our employees to enable them to develop their skills and to meet the challenges of a dynamic competitive environment.

The following table sets forth information on the number of employees in various departments of our business as on August 31, 2018:

Division	**No. of Employees**
Management	6
Operations and Production	124
Sales and Marketing	7
Administration and Human Resources	4
Finance, Accounts and Secretarial	6
Others	2
Total	**149**

We also have contracted labour at our Dehradun and Chennai facilities. The number of labourers working on contract with us is 193 as on August 31, 2018 which constitutes 56.43% of the workforce of our Company.

We also have an in-house training, competence and awareness program for our employees and evaluate the effectiveness of our training program regularly. We prepare an annual training plan for all our employees along with monthly training programs which are dependent on need based requirements of our employees. We have a comprehensive on-boarding process for our newly hired employees to ensure they acquire requisite skills. Our training program includes the safety of the employees at work place, quality processes, management and skill development and risk assessments trainings. Further, we also provide extensive technical training to our employees engaged in the manufacturing processes which include, *inter alia*, ink handling, training for pre-press and risk assessment.

The monthly training schedules are determined on a monthly basis as per individual and departmental requirements. Further, certain of our suppliers also provide specialised training to our employees. We monitor the progress of our employees regularly. We believe that our training program helps our employees develop and acquire necessary skills, boost employee satisfaction and enables us to retain our best resources.

Competition

With regards to the labeling and packaging verticals of our business, we are one of the leading players in the country. While we believe we enjoy a sizeable market share in the label industry, which is a highly fragmented industry, some of our peers include Skanem Interlabels Industries Private Limited and Webtech Labels (a division of Huhtamaki Limited) and Mudrika Labels Private Limited.

As concerns our print security business vertical, as on March 31, 2018, according to the CRISIL report, the usage of anti-counterfeiting technology in India is still at a nascent stage and the industry is much smaller compared to the global industry. Further, industry reports suggest that the penetration of anti-counterfeiting technology is less than 5% across most of the sectors / end-user industries indicating a good potential for growth in the future. As one of the early players in print security segment which we expect to be consumed by a large number of companies in the near future, we believe we have a competitive edge over any future players.

Information Technology

Our IT systems are vital to our business and we have adopted IT policies to assist us in our operations. Our facilities are connected to our central IT network which facilitates monitoring of our operations and management supply chain. We also utilize an enterprise resource planning solution which assists us with various business functions including sales distribution, purchase and accounts & finance, across all our operations.

Exports

Our products and services were exported to 5 countries as on August 31, 2018. In Fiscals 2018, 2017 and 2016, revenues from export sales were ₹ 39.51 million, ₹ 28.34 million and ₹ 35.32 million respectively, representing 4.20%, 3.25% and 4.56% respectively of our net total revenue in such periods. Our most significant export markets are Asia and Europe.

Intellectual Property

As of March 31, 2018 we have made 1 application before the Controller of Patents, New Delhi under the Patents Act, 1970 for registration of our invention '*Method of Providing a Scratch-able Printed Matter*' which is currently pending registration. Our brand logo ZIRCON Technology & Innovation at work is registered under the Trade Marks Act, 1999 under classes 9, 16 and 40. We have also applied for registration of the logo ig-gram under class 9, 16 and 40 under the Trade Marks Act, 1999 which are currently pending registration.

Inventory Management

Our inventory management processes include detailed inspection of the incoming raw materials from our suppliers as per the purchase orders. All the supply is placed in a quarantine zone, after which a goods receipt note is prepared upon approval by our Quality Control department. We ensure that every item has identifying marks, colour coding etc., for the FIFO system. In case our Quality Control department rejects any of the materials, they are kept in the rejection zone separate from the acceptable material and the details of the rejection are conveyed to the supplier along with a rejection note.

Safety, Health and Environment

Manufacturing is subject to a number of national and regional laws and regulations. These include in particular, regulations on technical safety and environment protection, including restriction of air pollution and other occupational health and safety regulations. See "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 138 and 331, respectively.

We aim to comply with applicable health and safety regulations and other requirements in our manufacturing operations and have adopted a work safety and health policy aimed at ensuring the safety of our employees and the people working at our facilities or under our management and complying with legislative requirements, requirements of our licenses, approvals and various certifications.

In the interest of sustainable manufacturing and protecting the environment, we use only UV based inks, which we believe are a safer and cleaner alternative to water-based or solvent-based inks. Further, we have obtained the necessary environmental clearances from the relevant authorities and we believe that all our facilities possess adequate effluent treatment processes and minimize contamination of the surrounding environment or pollution.

For the safety and well-being of our employees and labourers, we provide them with the necessary equipment and protection gear which include earplugs, masks and safety glasses. We also conduct periodic health and eye check-ups to ensure our employees' good health.

Insurance

We maintain insurance policies customary for our industry to cover certain risks, including fire, burglary and special perils. The raw materials imported by us are covered under a marine cargo open policy wherein raw materials imported are insured from various risks. Our products are covered under a marine cargo open policy wherein products are insured from various risks while being transported by road, rail or sea. We believe that our insurance policies and coverage is sufficient for our business and operational needs.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013 and the rules framed thereunder. Our CSR activities are overseen by our Executive Director, Poonam Sondhi, and are primarily focused on initiatives related to sponsoring and promoting the education of the girl child. Our CSR activities are carried out through our program "*Choti Si Aasha*".

Our CSR activities are monitored by the CSR committee of our Board. For details of the terms of reference of our CSR committee, see "*Our Management*" on page 154.

Properties

Our Registered Office is located at leased or licensed premises situated at No. 2B-1226, GD Colony, Mayur Vihar, Phase – III, New Delhi – 110 096, Delhi, India. Our corporate office is located on owned land situated at Khasra No. 1017, 1019, 1021, Camp Road (Behind Selaqui Hotel), Selaqui, Dehradun- 248 197, Uttarakhand, India.

Further, our manufacturing facilities are located at:

- Khasra No. 1017, 1019, 1021, Camp Road, Selaqui – 248 197, Dehradun, Uttarakhand;
- No. 40/3,40/3B,&7B,7C, Siva Bootham Village, Chettiar Agaram Main Road, Vanagaram, Chennai – 600 095, Tamil Nadu.

Our facility in Dehradun is owned by our Company and located in an industrial area, while our facility at Chennai is leased by our Company.

Our partnership firm, Rokani and Sons' manufacturing facility is leased from State Infrastructure and Industrial Development Corporation of Uttarakhand Limited ("**SIIDCUL**"), a Government of Uttarakhand Enterprise and is situated at F-65, UPSIDC Industrial Area, Selaqui – 248 197, Dehradun, Uttarakhand, India. Rokani & Sons is a partnership firm in which our Company enjoys a ninety-nine percent profit share. For details on Rokani & Sons, see *"Our Subsidiary"* on page 152.

KEY REGULATIONS AND POLICIES

The following description is an overview of certain sector-specific relevant laws and regulations in India which are applicable to the operations of our Company and its business. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.

The statements below are obtained from publications available in the public domain based on the current provisions of applicable Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and our Company or the BRLM are under no obligation to update the same.

A. Business Related Laws

Factories Act, 1948

Factories Act, 1948 ("**Factories Act**") regulates the provisions relating to labour in factories. The Factories Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the preceding twelve months and on which an electronic manufacturing process is carried on. Further, it also includes any premises on which twenty or more workers are employed or were employed on any day of the preceding twelve months and on which a manufacturing process is ordinarily carried on without the use of electricity. The applicant needs to submit the prior plans and obtain the approval of the respective State Government for the establishment, registration and licensing of factories. The provisions for the same are contained in the rules made by the respective State Governments. The Factories Act provides for provisions relating to health and safety, cleanliness and safe working conditions. Employment of women and children in the factories is prohibited under the Factories Act. Violations to any of the provisions of the Factories Act or the rules framed there under may lead to the imprisonment of the occupier or the manager of the factory for a term not exceeding two years and/or with a fine of ₹ 100,000 or both. If any continuing violation after conviction is observed, a fine of up to ₹ 1,000 per day of violation may be levied.

The Ministry of Labour and Employment proposes to amend the Factories Act, 1948 vide Office Memorandum dated June 5, 2014 wherein it is proposed to redefine the term "hazardous process" as a process in which a hazardous substance is used and the term "hazardous substance" would have the same meaning as assigned in the Environment Protection Act, 1986. An Occupier would now be required to take permission from the State Government for expansion of a factory within certain prescribed limits. Various safety precautions have been taken by the State Government to prevent persons to enter any confined space unless a written certificate has been given by a competent person and such person is wearing a suitable breathing apparatus. The occupier of a factory which is engaged in a hazardous process is required to inform the Chief Inspector within 30 days before the commencement of such process. An Inquiry Committee will be appointed by the Central Government to inquire into the standards of health and safety observed in the factory.

The Industries (Development and Regulation) Act, 1951.

The Industries (Development and Regulation) Act, 1951 (the "**Industries Regulation Act**") is an act which governs the development and regulation of industries in India. The main objectives of the Industries Regulation Act is to empower the Government:- (i) to take necessary steps for the development of industries; (ii) to regulate the pattern and direction of industrial development; (iii) to control the activities, performance and results of industrial undertakings in the public interest. The Industries Regulation Act applies to the 'Scheduled Industries' listed in the First Schedule of the Act. However, small scale industrial undertakings and ancillary units are exempted from the provisions of the Industries Regulation Act.

The Industries Regulation Act is administered by the Ministry of Industries & Commerce through its Department of Industrial Policy & Promotion (**"DIPP"**). The DIPP is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector. It monitors the industrial growth and production, in general, and selected industrial sectors. Certain categories of industries require industrial licensing under the Industries Regulation Act. Such industries have to file an Industrial Entrepreneur Memoranda

(**"IEM"**) with the Secretariat of Industrial Assistance (SIA), Department of Industrial Policy and Promotion to obtain an acknowledgement.

The Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011

The Legal Metrology Act, 2009 ("**Legal Metrology Act**") governs the standards/ units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measure or number. It also states that any transaction/ contract relating to goods/ class of goods shall be as per the weight/ measurements/numbers prescribed by the Legal Metrology Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the Legal Metrology Act is an offence, as is tampering or altering any reference standard, secondary standard or working standard. Moreover, the Legal Metrology Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the Legal Metrology Act. The Legal Metrology (Packaged Commodities) Rules, 2011 ("**Legal Metrology Rules**") was also enacted under the Legal Metrology Act. According to the Legal Metrology Rules, no person shall pre-pack or cause or permit to be pre-packed any commodity for sale, distribution or delivery unless a declaration is made on the package as required under the Legal Metrology Rules. Every manufacturer, packer and importer who pre-packs or imports any commodity for sale, distribution or delivery is required to be registered. On September 7, 2016, the Indian Ministry of Consumer Affairs, Food, and Public Distribution's Department of Legal Metrology amended the Legal Metrology Rules.

Electricity Act, 2003 and Electricity Rules, 2005

Electricity Act, 2003 ("**Electricity Act**") and Electricity Rules, 2005 is an act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity. The Electricity Rules, 2005 were formulated in exercise of the powers under 176 of the Electricity Act. The Electricity Act states that, no person other than central transmission utility or state transmission utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts which is a factory within the meaning of Factories Act, 1948 without giving before the transmission or use of electricity not less than 7 days' notice in writing of his intention to the electrical inspector and to the district magistrate or the commissioner of police, as the case may be, containing the particulars of electrical installation or plant and the nature and purpose of supply of such electricity.

Bureau of Indian Standards Act, 2016 the rules framed thereunder

Bureau of Indian Standards Act, 2016 ("**BIS Act**") the rules framed thereunder provides for the establishment of a national standards body for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act provides for the functions of the bureau which includes, among others (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the, Bureau of Indian Standards Certification Mark, which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

Shops and Commercial Establishments Acts

Shops and Establishments Acts are state enactments being different for every state of India. The Act is intended for the regulation of conditions of work, number of days of leave and employment in shops, commercial establishments and other establishments. Every establishment not regulated/being under the purview of Factories Act, 1948 has to be registered under the respective state Shops and Establishments Act.

The Consumer Protection Act, 1986

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

The Information Technology Act, 2000

The Information Technology Act, 2000 has been enacted to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "Electronic Commerce", which involve the use of alternatives to paper-based methods of communication and storage of information etc. Additionally, the said Act also provides for civil and criminal liabilities including fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems; it also recognizes contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third party information liability. It also provides civil and criminal Liabilities. The Information Technology Act, 2000 also provides punishment for offences committed outside India.

The Department of Information and technology under the Ministry of Communications & information Technology, Government of India, has notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 which gives directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The said Rules also require the body corporate to provide a privacy policy for handling and dealing on personal information, including sensitive personal data.

Food Safety and Standards (Packaging and Labelling) Regulations, 2011

Food Safety and Standards (Packaging and Labelling) Regulations, 2011 (the "**FSA Packing and Labelling Regulations**") requires that every pre-packaged food shall carry a label containing information as required under the FSA Packing and Labelling Regulations unless otherwise provided, namely, the particulars of declaration required under FSA Packing and Labelling Regulations to be specified on the label shall be in English or Hindi in Devanagari script. As per the FSA Packing and Labelling Regulations, pre-packaged food shall not be described or presented on any label or in any labelling manner that is false, misleading or deceptive or is likely to create an erroneous impression regarding its character in any respect and label in pre-packaged foods shall be applied in such a manner that they will not become separated from the container. The FSA Packing and Labelling Regulations state that contents on the label shall be clear, prominent, indelible and readily legible by the consumer under normal conditions of purchase and use and where the container is covered by a wrapper, the wrapper shall carry the necessary information or the label on the container shall be readily legible through the outer wrapper and not obscured by it. Additionally, every package of food shall carry the information on the label including but not limited to the name of food, list of ingredients, nutritional information, net quantity etc.

Regulation of Foreign Investment in India

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**"), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time. 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, 2017 by Notification No. FEMA 20(R)/ 2017-RB dated November 7, 2017 ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for Foreign Direct Investment **("FDI")** 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 RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder

The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder ("**FTA**") is the main legislation concerning foreign trade in India. The FTA read along with Foreign Trade (Regulation) Rules, 1993 provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import ("**EXIM**") Policy. Under the EXIM Policy, export of defense equipment falls under the restrictive Special Chemicals, Organisms, Materials, Equipment and Technologies list and requires a license.

The FTA prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("**IEC**") granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

B. Laws relating to Employment

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the "**EPF Act**") applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the government from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the 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

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

The Payment of Gratuity Act, 1972

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

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

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (the "**Bonus Act**") was enacted with the objective of providing of payment of bonus to employees on the basis of profit or on the basis of productivity. The Bonus Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or `100, whichever is higher.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**SHWW Act**") provides for the protection of women 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.

Other employment regulations

In addition to the above mentioned laws, certain other employment related laws and regulations that may be applicable to our Company, including:

- The Employee's Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- The Payment of Wages Act, 1936.
- The Equal Remuneration Act, 1976;
- Weekly Holidays Act, 1942;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Child Labour (Prohibition and Regulation) Act, 1986;
- The Maternity Benefit Act, 1961.

C. Intellectual property laws

Intellectual property rights in India enjoy protection under both statutory and under common law. The key legislations governing intellectual property in India are the Copyright Act, 1957, Patents Act, 1970, the Trade Marks Act, 1999 and Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement. Additionally, India is also a party to several international agreements for the protection of intellectual property rights.

The Trade Marks Act, 1999

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled, and may be renewed indefinitely upon payment of renewal fees every ten years. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

In March, 2017, the Trade Marks Rules, 2017 ("**Trade Mark Rules**") were notified, in supersession of the Trade Marks Rules, 2002. The Trade Mark Rules brought with them some changes in the application process, in terms of an increase in application fees and common formats for multiple kinds of applications. However, the e-filing process has been incentivized by providing for lower application fees. With the Trade Mark Rules the definition of "Opposition" also so a change to encompass a greater area. Further, the Trade Mark Rules also allow for video conferencing for conducting hearings.

The Copyright Act, 1957

The Indian Copyright Act, 1957 ("**Copyright Act**") governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act applies to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years. The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

D. Environmental Laws

Each Company must ensure compliance with environmental legislation, such as the Water (Prevention and Control of Pollution) Act 1974, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended, the Environment Protection Act, 1986, as amended, and the rules and regulations thereunder. The basic purpose of these statutes is to control, abate, prevent pollution and conserve the country's forests. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that units or plants are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the plant in question is functioning in compliance with the pollution control norms. These consent orders are required to be renewed.

On September 14, 2006 the Environmental Impact Assessment Notification S.O. 1533 (the "**2006 Notification**") was issued by the Ministry of Environment and Forest. Under the 2006 Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the Draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final Environment Impact Assessment Report.

Manufacture, Storage and Import of Hazardous Chemical Rules, 1989

The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 ("**Hazardous Chemical Rules**") were made in exercise of the powers conferred under section 6, 8 and 25 of the Environment (Protection) Act, 1986 for the industrial activity in which a hazardous chemical maybe involved. Under Rule 7, an occupier has to submit a written report to the concerned authority about the notification of sites containing the threshold quantity or more of an additional hazardous chemical. Also, Rule 10 prohibits the occupier to undertake an industrial activity unless he has prepared a safety report on that industrial activity and that report has to be submitted to the concerned authority at least ninety days before commencing that activity. Further it is stated that every container of hazardous chemical has to be clearly labelled or marked.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as '*Zircon Pharma Impex Private Limited*' on February 16, 1999 at Delhi as a private limited company, under the Companies Act, 1956. Pursuant to a special resolution passed by our shareholders dated January 3, 2003, the name of our Company was changed to "*Zircon Technologies Private Limited*' and a fresh certificate of incorporation was issued by the RoC on January 23, 2003. Subsequently, pursuant to a special resolution passed by our Shareholders dated March 31, 2008, our Company was converted into a public limited company and the name of our Company was changed to '*Zircon Technologies Limited*' and a fresh certificate of incorporation was issued by the RoC on May 27, 2008. Thereafter, pursuant to a special resolution passed by our shareholders dated June 5, 2008, the name of our Company was changed to '*Zircon Technologies (India) Limited*' and a fresh certificate of incorporation was issued by the RoC on July 15, 2008.

Corporate profile of our Company

For a description of our activities, services, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our services, management and customers, geographical segment etc., see "*Our Business*", "*Industry Overview*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Government and Other Approvals*" on pages 123, 103, 292 and 331, respectively. For details of the management of our Company and its managerial competence, see "*Our Management*" on page 154.

Changes in the registered office

The details of the changes in the registered office of our Company are as follows:

Effective Date	Details of change in the address of the Registered Office
February 01, 2005	Registered address was changed from 103, Gagan Deep Building, Rajindra Place, New Delhi – 110 008, Delhi, India to No. 2 B-1226, GD Colony, Mayur Vihar, Phase III, New Delhi – 110 096, Delhi, India.

The Registered Office was changed due to administrative and operational convenience.

Our Main Objects

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

1. *"To carry on the business of design, development and manufacture, printing and converting, import, export, buy, sell, trade, licensing and deal in Security Labels- of all types, Security & Identification documents- of all types, and all types of Product-Packaging and decoration Material with Security features.*

2. *To carry on the business of design, development and manufacture, printing and converting, import, export, buy, sell, trade and deal in plain and printed self-adhesive labels, non-self-adhesive labels, bar code labels, printing rolls, tags, shrink sleeves, wrap-around labels, aluminum foils, cartons, mono cartons, micro flute cartons, corrugated cartons, folding cartons, printed cartons, packaging laminates, flexible film, printed electronics, strips- paper and non-paper, etc. of the types.*

3. *To carry on the business of or deal in developing of different forms of security graphics, optics and printed electronics, printing and packaging software and soft tools and sharing/licensing them and earn dividend there from in form of commission, royalties and other of similar nature.*

4. *To carry on the business of manufacture, import, export, buy, sell, trade and deal in bar code hardware, consumables, thermal transfer ribbons for bar code and data on demand printing and other purposes, computer, computer hardware and software development and to carry on the business of manufacture, import, export, buy, sell trade deal in auto identification and banking products (scanners & terminals) etc. and radio frequency products and solutions.*

5. *To carry on in India or abroad the business of providing anti- counter fittings and authentication solutions through different printing and converting technologies or by other meant of achieving the said objectives on documents labels, folding cartons corrugated and micro flute cartoons shrink sleeves and wrap around etc."*

The main objects clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to our Memorandum of Association

Since incorporation, the following amendments have been made to our Memorandum of Association:

Date of shareholders resolution	Nature of amendment
November 7, 2002	Alteration of Clause III of the main objects by substitution of clauses 1 to 5 by the new clauses 1 to 9 which read as follows: "*1. To carry on the business of Manufacture, Import, export, Buy, Sell, trade and deal in Bar Code Hardware (Printer etc.) Labels, Ribbon for Bar code print and other purpose, Computer, Computer Hardware & Software Development. To Carry on the business of manufacturing & trading of Auto Identification and Banking Products (Scanners, Terminals etc.)* *2. To Carry on the business of Manufacture, Import, export, Buy, Sell, trade and deal in Radio frequency products and solutions.* *3. To Carry on the business of Computer Rental, software selling, development, distribution, dealership, trading, importers, exporters, wholesellers of and dealers in all kinds of computers software, hardware, computer, peripherals, modems, hard diskettes, CD ROMs and any of the allied items used in information technology.* *4. To carry on the business of computer of running consultancy services, selection of computer system, software media, peripherals and related items, computer personnel and computerization in general running computer bureau, hiring of computer hardware, software, repair and servicing, computer output, microfilming transparencies, audio visual presentation, electronic publishing, hold seminars, courses, business conferences and to run training institute and to provide on line training and teaching, in computer systems, programming, operation and in systems analysis, operation research data entry and processing, electronic mail networking, office automation to provide software development & maintenance personnel, to work at customer's sites to provide consultancy services in preparation of project report, systems, studies, tender to provide long term and short term studies, tenders servicing and replacement of computer system and equipment.* *5. To design, develop, own maintain and operate website, E-Commerce solution and provide all kinds of services on the internet.* *6. to carry on the business of E-Commerce on the internet or shop cyber café activities, and to provide medical and other transcription services.* *7. To carry on the business of importer, exporter, indentor, wholesalers, designer and developer of all kinds of computers, components, computer peripherals and other electronics systems related thereto.* *8. To carry on the business of developing, designing and maintain on-shore or off-shore programmes and to import, export, develop, design, implement or*

Date of shareholders resolution	Nature of amendment
	undertake turnkey project of computers, computer related hardware, software, application software, peripherals and electronic system related thereto. *9. To carry on the business in training, education, management and consultancy services related to information technologies and computer service."*
January 3, 2003	Change of name from Zircon Pharma Impex Private Limited to Zircon Technologies Private Limited.
March 31, 2005	The authorised share capital of our Company was increased from ₹ 1,000,000 divided into 100,000 equity shares of ₹ 10 each to ₹ 2,500,000 divided into 250,000 equity shares of ₹ 10 each.
June 30, 2005	The authorised share capital of our Company was increased from ₹ 2,500,000 divided into 250,000 equity shares of ₹ 10 each to ₹ 7,500,000 divided into 750,000 equity shares of ₹ 10 each.
March 31, 2007	The authorised share capital of our Company was increased from ₹ 7,500,000 divided into 750,000 equity shares of ₹ 10 each to ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each.
March 31, 2008	The authorised share capital of our Company was increased from ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each to ₹ 2,50,00,000 divided into 2,500,000 equity shares of ₹ 10 each.
	Conversion from a private limited company to public limited company and subsequent change of name from Zircon Technologies Private Limited to Zircon Technologies Limited.
June 5, 2008	Change of name from Zircon Technologies Limited to Zircon Technologies (India) Limited
September 30, 2009	The authorised share capital of our Company was increased from ₹ 25,000,000 divided into 2,500,000 equity shares of ₹ 10 each to ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each.
March 31, 2010	The authorised share capital of our Company was increased from ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each to ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each.
February 10, 2012	Substitution of Clause III(A) paragraphs 1 to 4 with the following paragraphs: "*1. To carry on the business of manufacture, import, export, buy, sell, trade and deal in bar code hardware, consumables, thermal transfer ribbons for bar code and data on demand printing and other purposes, computer, computer hardware and software development and to carry on the business of manufacture, import, export, buy, sell, trade and deal in auto identification and banking products (scanners & terminals) etc.* *2. To carry on the business of manufacture, import, export, buy, sell, trade and deal in radio frequency products and solutions.* *3. To carry on in India or abroad the business to manufacture, fabricate, treat, prepare, convert, ferment, finish, clean, process, produce, make, import, export, promote, buy, sell, supply, pack, repack, market, and to act as consignor, consultants, collaborator, agents, merchants, distributors, concessionaires, stockiest, and C & F agents or otherwise to deal in all types of packaging materials, printing and converting of labels, folding cartons, corrugated and micro flute cartoons, shrink Sleeves and wrap around etc. and to do all incidental acts and things for the attainment of above objects.* *4. To carry on in India or abroad the business of providing anti-counter fittings and authentication solutions through different printing and converting*

Date of shareholders resolution	Nature of amendment
	technologies or by other means of achieving the said objectives on documents, labels, folding cartons, corrugated and micro flute cartoons, shrink Sleeves and wrap around etc."
June 20, 2017	The first five sub-clauses were added to Clause III(A) as follows: *"1. To carry on the business of design, development and manufacture, printing and converting, import, export, buy, sell, trade and deal in self-adhesive labels – Plain and Printed, Non-Self Adhesive labels, Bar Code labels, printing rolls, tags, Shrink sleeves, Wrap-around Labels, aluminium foils, Cartons, Mono cartons, Micro Flute cartons, Corrugated cartons, Folding cartons, Printed Cartons, Packaging Laminates, Flexible film, Printed electronics, Strips-paper and non-Paper, etc. of the types.* *2. To carry on the business of design, development and manufacture, printing and converting, import, export, buy, sell, trade, Licensing and deal in Security Labels-of all types, Security documents – of all types, and all types of Product-Packaging and decoration Material with Security features.* *3. To carry on the business of development, export, import, maintenance, trade and deal in business oriented and other utility Software for clients and customers.* *4. To carry on the business of providing Hardware maintenance services, leasing/renting of hardware accompanied with incidental maintenance.* *5. To carry on the business of or deal in developing of different forms of Printing and packaging software and Soft tools and sharing/licensing them and earn dividend there from in form of commission, Royalties and other of similar nature."*
June 02, 2018	The authorised share capital of our Company was increased from ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each to ₹ 210,000,000 divided into 21,000,000 equity shares of ₹ 10 each.
August 10, 2018	Alteration of Clause III(A) of the main objects by substitution with the new clauses 1 to 5 which read as follows: 1. *"To carry on the business of design, development and manufacture, printing and converting, import, export, buy, sell, trade, licensing and deal in Security Labels- of all types, Security & Identification documents- of all types, and all types of Product-Packaging and decoration Material with Security features.* 2. *To carry on the business of design, development and manufacture, printing and converting, import, export, buy, sell, trade and deal in plain and printed self-adhesive labels, non-self-adhesive labels, bar code labels, printing rolls, tags, shrink sleeves, wrap-around labels, aluminum foils, cartons, mono cartons, micro flute cartons, corrugated cartons, folding cartons, printed cartons, packaging laminates, flexible film, printed electronics, strips- paper and non-paper, etc. of the types.* 3. *To carry on the business of or deal in developing of different forms of security graphics, optics and printed electronics, printing and packaging software and soft tools and sharing/licensing them and earn dividend there from in form of commission, royalties and other of similar nature.* 4. *To carry on the business of manufacture, import, export, buy, sell, trade and deal in bar code hardware, consumables, thermal transfer ribbons for bar*

Date of shareholders resolution	Nature of amendment
	code and data on demand printing and other purposes, computer, computer hardware and software development and to carry on the business of manufacture, import, export, buy, sell trade deal in auto identification and banking products (scanners & terminals) etc. and radio frequency products and solutions. 5. *To carry on in India or abroad the business of providing anti- counter fittings and authentication solutions through different printing and converting technologies or by other meant of achieving the said objectives on documents labels, folding cartons corrugated and micro flute cartoons shrink sleeves and wrap around etc."* Alteration of Clause III(B) of the incidental objects by insertion of the new clauses 6 to 13 which read as follows: 6. *"To carry on the business of development, export, import, maintenance, trade and deal in business oriented and other utility Software for clients and customers.* 7. *To carry on the business of providing hardware maintenance services, leasing/renting of hardware accompanied with incidental maintenance.* 8. *To carry on in India or abroad the business to manufacture, fabricate, treat, prepare, convert, ferment, finish, clean, process, produce , make, import, export, promote, buy , sell, supply , pack, repack, market and to act as consigner, consultants, collaborator , agents , merchants, distributors, concessionaries, stockiest, and Clearing and forwarding agents or otherwise to deal in all types of packaging materials, printing and converting of labels, folding cartons, corrugated and micro flute cartoons, shrink sleeves and wrap around etc. and to do all incidental acts and things for the attainment of above objects.* 9. *To design develop, own, maintain and operate websites, E-commerce solutions and provide all kinds of services on the internet.* 10. *To carry on the business of E-commerce on the internet or internet shop cyber café activities and to provide medical and other transcription services.* 11. *To carry on the business of importer, exporter, indentor, wholesaler, designer and developer of all kinds of computers, components, computer peripherals and other electronic systems related thereto.* 12. *To carry on the business of developing, designing and maintaining on-shore or off sore programs and to import, export, develop, design, implement or undertake turnkey projects of computers, computers related hardware, software, application software, peripherals and electronic systems related thereto.* 13. *To carry on the business of training, education, management and consultancy services related to information technologies and computer services."*

Major Events and Milestones

Calendar Year	Events/ Milestones
1999	Incorporation as a private limited company
2003	Change of name from Zircon Pharma Impex Private Limited to Zircon Technologies Private Limited
2004	Started engaging primarily in bar coding business and labelling business
2006	Commencement of print related business by setting up a plant at Dehradun
2008	Converted from a private limited company into a public limited company
2009	Started the R&D project for high security design and print
2010	Set up second plant at Dehradun
2012	Zircon became the first HD Flexo Certified Company in India
	Set up a third Plant at Chennai
2013	Signed agreement for royalty receipts against high security design technique with an European company
2014	Launched brand security solution business in the Indian market
2016	Took over a partnership firm as a strategic move, and expanded infrastructure in all the plants to achieve high growth and profits
2018	Installation of OMET Varyflex at Dehradun, the largest label printing press in India

Awards and Accreditations

Calendar Year	Awards and Accreditations
2014	Award the Certificate of Appreciation for "Excellence" by Marico Limited at Samyut, 2014
2014	Runner up in Combination Printing Colour at the Label Awards, 2014 by Avery Dennison and the Label Manufacturers Association of India
2015	Awarded the Certificate of Excellence as "Samyut Samrat" by Marico Limited at Samyut, 2015
2016	Awarded the Uttarakhand Udyami Award, 2015 by the Uttarakhand Industrial Welfare Association
2016	Awarded the Value Award for "Global Outlook" at Samyut, 2016
2016	Tv100 Excellence Award for Innovation in Manufacturing in the Packaging Sector at the Industrial Excellence Awards 2016, Uttarakhand
2016	Recognised for enthusiastic participation by Marico Limited at Yugman, 2016
2017	Certificate of Appreciation presented to our Promoter for contributing as a Speaker at 6th Annual InnoPack Pharma Confex, 2017 held at Mumbai
2017	Certificate of Excellence awarded by Marico Limited
2017	Awarded the Value award in the "Consumer Centric" category at Samyut, 2017
2017	Awarded the Uttarakhand Udyami Award, 2016 by the Uttarakhand Industrial Welfare Association
2018	Certificate of Quality Management System complying with the requirements of standard ISO 9001:2015 received from Quality Austria - Trainings, Zertifizierungs und Begutachtungs GmbH

Total number of Equity Shareholders of our Company

As on the date of this Draft Red Herring Prospectus, Our Company has 7 Equity Shareholders. For further details, see "*Capital Structure*" on page 74.

Changes in activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Capital raising through Equity or Debt

For details regarding our capital raising activities through equity, see "*Capital Structure*" and "*Financial Statements*" on pages 74 and 178, respectively. Further, our Company has not undertaken any offering of debt instruments since its inception.

Strike and lock-outs

We have not experienced any strike, lock-outs or labour unrest in the past.

Time or cost overrun

Our Company has not experienced any instances of time/ cost overrun in our business operations.

Defaults or rescheduling of borrowings with financial institutions / banks, conversion of loans into equity by the Company

There are no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company.

For details of instances of delays in payments and non-compliance with certain covenants by our Company in the past, see "*Risk Factors*" and "*Summary of Financial Information*" on pages 17 and 56, respectively.

None of our Company's loans have been converted into Equity Shares.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Details regarding acquisition of business/ undertakings, mergers, amalgamations, revaluation of assets / shareholders' agreements

Except as mentioned below, our Company has neither acquired any entity, business or undertaking, nor has our Company undertaken any merger or amalgamation.

Agreement for Takeover of Business entered into between our Company and M/s. Zircon Tech and Services (the "Transferor firm").

Our Company has entered into an Agreement for Takeover of Business ("**Business Takeover Agreement**" or "**BTA**") on January 14, 2006 with M/s. Zircon Tech and Services (the "**Transferor firm**"), a proprietorship firm carrying on the business of trading of auto id products. Our Company entered into the BTA for transfer of all business operations, assets, liabilities and rights of the Transferor firm, as a going concern, with effect from January 14, 2006. Our Company has paid a total consideration of ₹ 3,000,000 of which the capital account balance of the proprietor, Poonam Sondhi, was settled by issue and allotment of 195,000 fully paid up equity shares on a rights basis of face value of ₹ 10 each, aggregating to ₹ 1,950,000, and the balance consideration was settled by payment of cash or bank. For details of allotment pursuant to the acquisition of M/s. Zircon Tech and Services, see *"Capital Structure"* on page 74.

Pursuant to the BTA, the benefits accruing to the Transferor firm from all subsisting contracts were also transferred to our Company. Further, our Company shall satisfy and discharge all mortgage and other debts and liabilities of the Transferor firm and indemnify the proprietor against all actions, proceedings, claims and demands in respect of the business.

For details of revaluation of assets, see *"Other Regulatory and Statutory Disclosures – Revaluation of Assets"* on page 346.

Other Material Agreements

Our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the last two years preceding this Draft Red Herring Prospectus.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries

Except as disclosed in "*Our Subsidiary*" on page 152, as of the date of this Draft Red Herring Prospectus, our Company has no Subsidiaries.

Associate companies and Joint ventures

As of the date of this Draft Red Herring Prospectus, our Company does not have any associate companies or joint ventures.

Strategic and financial partnerships

As of the date of this Draft Red Herring Prospectus, our Company currently does not have any strategic or financial partners.

OUR SUBSIDIARY

As on the date of this Draft Red Herring Prospectus, our Company has no subsidiary company or bodies corporate. However, for the purpose of preparing our Restated Consolidated Financial Statements for Fiscals 2017 and 2018 in accordance with Indian Accounting Standard 110, M/s. Rokani & Sons, partnership firm has been considered as a subsidiary. The details of our partnership firm are set forth below:

M/s. Rokani and Sons

Our Company has entered into a Partnership deed dated August 24, 2016 ("**Partnership deed**") with our Promoter, Sanjeev Sondhi to continue the business of the erstwhile partnership firm registered as M/s. Rokani and Sons ("**Partnership Firm**") for provision of joint investment and to carry out the business of manufacture and sale of labels in Selaqui, Dehradun, Uttarakhand, India.

The Partnership Firm was originally constituted pursuant to a partnership deed dated November 07, 2007 executed amongst Ramesh Babalal Shah, Prakash Babalal Shah, Shailesh Babalal Shah and Kamlesh Babalal Shah. Thereafter, vide partnership deed dated August 22, 2016, Ramesh Babalal Shah, Prakash Babalal Shah, Shailesh Babalal Shah retired from the Partnership Firm and our Company and Sanjeev Sondhi were admitted to the Partnership Firm along with the continuing partner, Kamlesh Babalal Shah in a profit sharing ratio of 1% each to Kamesh Babalal Shah and Sanjeev Sondhi respectively and 98% to our Company.

In terms of the Partnership deed, the Partnership Firm shall carry out the business of diamonds and expand their business into the field of printing of labels, foils, films, cartons etc. in a profit sharing ratio of ninety-nine percent is to one percent between our Company and Sanjeev Sondhi. The initial capital contribution for admission in the Partnership Firm made by our Company and our Promoter was ₹ 10,000,000 and ₹ 101,000 respectively. In accordance with the Partnership deed, the principal place of business of the Partnership Firm is at 430 Panchratna, Opera House, Mumbai 400 004 and branch office cum factory is at F-65 UPSIDC Industrial Area, Selaqui, Dehradun 248 197, Uttarakhand, India.

In accordance with the terms and conditions of the Partnership deed, all the assets, rights, interests, properties, privileges, actionable claims, goodwill etc. and the business as a whole of the Partnership Firm shall vest with our Company and our Promoter on a going concern basis, with effect from August 20, 2016.

Significant sale or purchase between our Subsidiaries and our Company

Except as disclosed in "*Related Party Transactions*" on page 176, our subsidiary is not involved in any sales or purchases with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Common Pursuits

M/s. Rokani and Sons is engaged in business activities similar to that of our Company. M/s. Rokani and Sons has been acquired to undertake various activities in line with our business strategies. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

For details on the related business transactions between our subsidiary and our Company and significance of such transactions on the financial performance of our Company see, *"Related Party Transactions"* on page 176.

Business interest between our Company and the Subsidiaries

Except as stated in the *"Our Business"* and *"Related Party Transactions"* on page 123 and 176, our subsidiary does not have any business interest in our Company.

Other confirmations

Listing

Our subsidiary is a partnership firm and is hence, not listed on any stock exchange in India or abroad. Our subsidiary has never been refused listing of any securities at any time, by any of the recognised stock exchanges in India or abroad. Our subsidiary has not made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Draft Red Herring Prospectus.

Sick Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have any sick subsidiary under the meaning of the erstwhile SICA, or any subsidiary that has been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016.

Accumulated profits or losses

There are no accumulated profits or losses of our Subsidiary not accounted for by our Company in its consolidated financial statements.

Sale or purchase of shares of our Subsidiary during the last six months

None of our Promoter, the members of our Promoter Group, or our Directors or their relatives (as defined under the Companies Act 2013) have sold or purchased the partners' capital of our Subsidiary during the six months immediately preceding the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

As per our Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of filing this Draft Red Herring Prospectus, our Company has six Directors on its Board including one Managing Director, one Non-executive Director, three Independent Directors and one woman Executive Director.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, address, occupation, DIN, term and nationality	Age (years)	Other directorship
Tilak Raj Sondhi **Designation:** Chairman and Non-Executive Director **Address:** E-703, Pavitra Apartments, Vasundhara Enclave, Mayur Vihar, Phase – III, East Delhi – 110096, Delhi, India. **Occupation:** Business **DIN:** 01165887 **Term:** Liable to retire by rotation **Nationality:** Indian	78	NIL
Sanjeev Sondhi **Designation:** Managing Director **Address:** E-703, Pavitra Apartments, Vasundhara Enclave, Mayur Vihar, Phase – III, East Delhi – 110096, Delhi, India. **Occupation:** Business **DIN:** 01053263 **Term:** 5 years with effect from August 24, 2018, up to August 23, 2023 **Nationality:** Indian	51	Securedibs Technologies Private Limited
Poonam Sondhi **Designation:** Executive Director **Address:** E-703, Pavitra Apartments, Vasundhara Enclave, Mayur Vihar, Phase – III, East Delhi – 110096, Delhi, India. **Occupation:** Business	48	Securedibs Technologies Private Limited

Name, designation, address, occupation, DIN, term and nationality	Age (years)	Other directorship
DIN: 01053297 **Term:** 5 years with effect from August 10, 2018, up to August 09, 2023 **Nationality:** Indian		
Ashwani Kumar Punn **Designation:** Independent Director **Address:** Block C4-B, Pocket 13, Flat Number 248, Janakpuri B-1, S.O. West Delhi, Delhi – 110 058, Delhi, India. **Occupation:** Retired Banker **DIN:** 08161653 **Term:** 5 years with effect from June 18, 2018, up to June 17, 2023 **Nationality:** Indian	60	NIL
Shailendra Sharma **Designation:** Independent Director **Address:** GH-9/259, Near DDA Market, Paschim Vihar, Sunder Vihar, West Delhi, Sunder Vihar, Delhi – 110 087, Delhi, India. **Occupation:** Service **DIN:** 08164427 **Term:** 5 years with effect from June 18, 2018, up to June 17, 2023 **Nationality:** Indian	51	*Foreign Companies* 1. Eco Health DMCC.
Pramod Agarwal **Designation:** Independent Director **Address:** 1518 A, The Magnolias, DLF Golf Link Road, DLF City, Phase-5, Gurgaon – 122 009, Haryana, India. **Occupation:** Service **DIN:** 00066989 **Term:** 5 years with effect from July 16, 2018, up to	56	*Indian Companies* 1. Gillette India Limited; and 2. Procter and Gamble Hygiene and Health Care Limited.

Name, designation, address, occupation, DIN, term and nationality	Age (years)	Other directorship
July 15, 2023 **Nationality:** Indian		

Brief profiles of our Directors

Tilak Raj Sondhi, aged 78 years, is the Chairman and Non-Executive Director of our Company. He has over 35 years of experience with the Government of India in areas of home affairs and giving directions in policy related matters. He holds a bachelor's degree in English from Panjab University. He has been a Director on our Board since incorporation and was responsible for extending strategic vision and overall guidance to our Company.

Sanjeev Sondhi, aged 51 years, is the Managing Director of our Company. He is primarily responsible for research and development, strategy, design, business development and corporate planning of our Company. He has a combined work experience of 25 years in various sectors including 12 years of experience in print security and label manufacturing industries. Prior to joining our Company, he has worked with GlaxoSmithKline Pharmaceuticals Limited, Lupin Limited, Nicholas Piramal India Limited and also has an overseas experience in areas of sales and marketing. He holds a bachelor's degree in Chemistry (Honours) from Meerut University. He has been a Director on our Board since 2002.

Poonam Sondhi, aged 48 years, is an Executive Director of our Company. She holds a bachelor's degree in Arts from Delhi University. She has over 15 years of experience in the fields of automatic identification and barcoding solutions. Prior to her appointment to the Board of our Company, she was the founder proprietor of M/s. Zircon Tech and Services, incorporated in 2002, which was taken over by our Company in the year 2006. She has been a Director on our Board since 2002. She is responsible for the general management of our Company and monitoring of our corporate social responsibility activities.

Ashwani Kumar Punn, aged 60 years, is an Independent Director of our Company. He holds a bachelor's degree in commerce from Delhi University and also holds a bachelor's degree in law from Delhi University. He has qualified as a certified associate of IIB&F from the Indian Institute of Banking and Finance. He has more than 40 years of experience in the areas of strategic planning, team management, crisis management, compliance, learning and development, retail banking and corporate banking. Prior to joining our Company, he has worked with Bank of India from July, 1981 till April 30, 2018 for a period of 37 years. He has also worked with Indo Burma Petroleum and Jay Engineering Works Limited. He has been a Director on our Board since June 18, 2018.

Shailendra Sharma, aged 51 years, is an Independent Director of our Company. He holds a bachelor's degree in science from Delhi University and also holds a post-graduate diploma in marketing management from Management Studies Promotion Institute, Delhi. He has more than 20 years of experience in the field of business development, marketing and sales in domestic as well as international healthcare sectors. Prior to joining our Company, he has been associated with the Chanrai Group, Dabur India Limited and GlaxoSmithKline Pharmaceuticals Limited. Presently, he is also an Executive Director on the Board of Eco Health DMCC, Dubai. He has been a Director on our Board since June 18, 2018.

Pramod Agarwal, aged 56 years, is an Independent Director of our Company. He holds a master's degree in business administration from the Indian Institute of Management, Ahmedabad. He has more than 25 years of experience in areas of finance, corporate governance, overseas project management, sales and operations. Prior to joining our Company, he has been associated with Global Hair Care and Color, a Switzerland based entity (as the chief financial officer). Presently he is also a Non-Executive Director on the Board of Procter and Gamble Hygiene and Healthcare Limited and Gillette India Limited. He has been a Director on our Board since July 16, 2018.

Relationship between our Directors

Except as stated below, none of our Directors are related to each other:

Name of the Director	Relationship with Sanjeev Sondhi	Relationship with Poonam Sondhi	Relationship with Tilak Raj Sondhi

Name of the Director	Relationship with Sanjeev Sondhi	Relationship with Poonam Sondhi	Relationship with Tilak Raj Sondhi
Sanjeev Sondhi	-	Husband	Son
Tilak Raj Sondhi	Father	Husband's Father	-
Poonam Sondhi	Wife	-	Son's Wife

Remuneration details of our Directors

(i) Remuneration details of our executive Directors

Sanjeev Sondhi

Sanjeev Sondhi was appointed as a Director on our Board with effect from November 7, 2002 at the meeting of our Board held on November 7, 2002 and regularised by our shareholders at their meeting held on November 7, 2002 and was appointed as the Managing Director of our Company with effect from August 24, 2018, for a term of 5 years, up to August 23, 2023 at the meeting of our Board held on August 10, 2018, and was confirmed by a special resolution passed by our shareholders at their extra-ordinary general meeting held on August 23, 2018.

The table below sets out the present remuneration details of Sanjeev Sondhi:

Particulars	Details
Basic Salary	₹ 500,000 per month
Perquisites	As per the rules of the Company and as may be agreed to by the Board of Directors of the Company and annual increment for every financial year.

Poonam Sondhi

Poonam Sondhi was appointed as a Director on our Board with effect from November 7, 2002 at the meeting of our Board held on November 7, 2002 and regularised by our shareholders at their meeting held on November 7, 2002 and was appointed as an Executive Director of our Company with effect from August 10, 2018, for a term of 5 years, up to August 09, 2023 at the meeting of our Board held on August 01, 2018, and was confirmed by a special resolution passed by our shareholders at their extra-ordinary general meeting held on August 10, 2018.

The table below sets out the present remuneration details of Poonam Sondhi:

Particulars	Details
Fixed Salary	₹ 330,000 per month
Perquisites	As per the rules of the Company and any additional perquisites as may be decided by the Board of Directors of the Company from time to time
Medical reimbursement	For self and family, as per the policy of the Company
Leave Travel Concession	For self and family, once a year incurred in accordance with the rules of the Company
Provident Fund	Company's contribution as per the rules of the Company
Gratuity	As per the rules of the Company
Earned Leave	As per the rules of the Company

The aggregate value of the remuneration paid to executive Directors in Fiscal 2018 is as follows:

Sr. No.	Name of Director	Remuneration (₹ in million)
1.	Sanjeev Sondhi	6.00
2.	Poonam Sondhi	3.60
3.	Sanchay Sondhi*	0.30
Total		9.90

**Sanchay Sondhi has resigned from our Company from the post of Executive Director with effect from June 25, 2018.*

(ii) Remuneration details of our Non-Executive Directors and Independent Directors

Pursuant to a resolution dated June 02, 2018 of our Board, our Non-executive and Independent Directors are entitled to sitting fees of ₹ 25,000 for attending each meeting of our Board or any committees thereof. Additionally, our Non-executive and Independent Directors are also entitled to reimbursement of expenses incurred by them to attend such meetings.

None of the present Independent Directors were on the Board of our Company in Fiscal 2018 and hence did not receive any sitting fees for any meetings of the Board or Committee of the Board.

Shareholding of our Directors in our Company

As per the Articles of Association of our Company, our Directors are not required to hold qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of the date of this Draft Red Herring Prospectus:

Name of the Director	No. of Equity Shares (pre-Issue)	Percentage (%)
Sanjeev Sondhi	14,740,000	99.80
Poonam Sondhi	26,675	0.18
Tilak Raj Sondhi	665	Negligible
Total	**14,767,340**	**99.98**

Confirmations

None of our Directors are or were directors of any listed companies on BSE or NSE, whose shares have been or were suspended from being traded, during the last five years prior to the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors are or were directors on any listed companies which have been or were delisted from any stock exchange during the term of his/her directorship in such companies.

None of our Directors have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation is pending against them.

Borrowing Powers of our Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and resolution passed at our Extra – Ordinary General Meeting dated January 1, 2018, our Board has been authorised to borrow from time to time any sum or sums of monies on such terms and conditions and with or without security as the Board of Directors may deem fit which, together with the monies already borrower by the Company (apart from temporary loans obtained or to be obtained by the Company from lending agencies in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided the total amount so borrower by the Board shall not at any time exceed the limit of ₹ 2,000 million.

Bonus or profit sharing plan for the Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

Service contracts with Directors

Our Directors have not entered into any service contracts with our Company which provide for any benefit upon termination of their directorship.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our other Directors or Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Interest of our Directors

Our executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Director, see "-*Terms of appointment and remuneration of our Executive Directors*" above.

Further, our Non-Executive Directors and Independent Directors are entitled to receive sitting fees for attending each meeting of our Board and Committee, details of which have been provided under the heading "*Remuneration details of our Non-Executive Directors and Independent Directors*" above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading "*Shareholding of Directors in our Company*" above.

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

Further, our Directors may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, out of the present Issue. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in the section "*Related Party Transactions*" on page 176, our Directors do not have any other interest in the business of our Company.

Interest in the promotion of our Company

Except for Sanjeev Sondhi who is the Promoter of our Company, our Directors have no interest in the promotion of our Company as of the date of this Draft Red Herring Prospectus, except in the ordinary course of business.

Interest as to property

Our Company has entered into an agreement dated April 2, 2018 with Sanjeev Sondhi, our Promoter and Managing Director for purchase of residential property situated at C-7-4, Pinnacle Residency, Rajpur Road, Zakhan, Dehradun, Uttarakhand ("**Residential Property**") for a total consideration of ₹ 16.50 million to be used for the purpose of our Company's guest house. Further, our company has paid an advance of ₹ 5.50 million to Sanjeev Sondhi and out of the total balance consideration, fifty percent shall be paid in October/ November, 2018 and remaining consideration shall be paid by our Company to Sanjeev Sondhi in the month of December, 2018.

Except as disclosed above, our Directors have no interest in any property acquired by our Company within the two years preceding the date of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery.

Appointment of relatives of our Directors to any office or place of profit

As on the date of this Draft Red Herring Prospectus, no relatives of any of our Directors have been appointed to a place or office of profit in our Company.

Changes in our Company's Board of Directors during the last three years

The changes in our Board during the last three years are as follows:

Name of Director	Date of appointment	Date of cessation	Reason
Sanchay Sondhi	January 1, 2018	-	Appointment as Executive Director
Ashwani Kumar Punn	June 18, 2018	-	Appointment as Independent Director
Shailendra Sharma	June 18, 2018	-	Appointment as Independent Director
Sanchay Sondhi	-	June 25, 2018	Cessation as Executive Director
Pramod Agarwal	July 16, 2018	-	Appointment as Independent Director

Loans taken by Directors

No loans have been availed by our Directors from our Company.

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon listing of the Equity Shares on the Stock Exchanges.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act, 2013.

Currently the Board has 6 directors, comprising of a non-executive Chairman, 2 executive directors and 3 non-executive directors comprising of 3 independent directors. Our Board also comprises of 1 woman director.

Committees of our Board

Our Board has constituted the following Committees in accordance with the requirement of SEBI Listing Regulations and the Companies Act, 2013:

1. Audit Committee;

2. Nomination and Remuneration Committee;

3. Stakeholders Relationship Committee; and

4. Corporate Social Responsibility Committee.

Other Committees

Our Company has also constituted an IPO Committee.

Details of each of these Committees are as follows:

Audit Committee

Our Audit Committee was constituted pursuant to resolution of our Board dated July 16, 2018. Our Audit Committee comprises of the following members:

Name of Director	Designation	Nature of Directorship
Shailendra Sharma	Chairman	Independent Director
Ashwani Kumar Punn	Member	Independent Director
Sanjeev Sondhi	Member	Managing Director

Terms of Reference for the Audit Committee:

A. The Audit Committee shall have powers, including the following:

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.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
b. Changes, if any, in accounting policies and practices and reasons for the same;
c. Major accounting entries involving estimates based on the exercise of judgment by management;
d. Significant adjustments made in the financial statements arising out of audit findings;
e. Compliance with listing and other legal requirements relating to financial statements;
f. Disclosure of any related party transactions; and
g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;
   Explanation*: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the Accounting Standards.*

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. Reviewing the functioning of the whistle blower mechanism;

19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted pursuant to resolution of our Board dated July 16, 2018. Our Nomination and Remuneration Committee comprises of the following members:

Name of Director	Designation	Nature of Directorship
Ashwani Kumar Punn	Chairman	Independent Director
Pramod Agarwal	Member	Independent Director
Tilak Raj Sondhi	Member	Non-Executive Director

Terms of Reference for the Nomination and Remuneration Committee are as follows:

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

5. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

   - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or

   - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

6. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Further, the Nomination and Remuneration Committee shall have the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and shall have power to obtain external professional advice, if necessary.

Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was constituted pursuant to resolution of our Board dated July 16, 2018. Our Stakeholders Relationship Committee comprises of the following members:

Name of Director	Designation	Nature of Directorship
Pramod Agarwal	Chairman	Independent Director
Ashwani Kumar Punn	Member	Independent Director
Shailendra Sharma	Member	Independent Director
Sanjeev Sondhi	Member	Managing Director

Terms of Reference for the Stakeholders Relationship Committee are as follows:

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

1. Considering and resolving grievances of shareholders’, debenture holders and other security holders;

2. Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, balance sheets of the Company, etc.;

3. Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;

4. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and

5. Carrying out any other function contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was constituted pursuant to resolution of our Board dated July 16, 2018. Our Corporate Social Responsibility Committee comprises of the following members:

Name of Director	Designation	Nature of Directorship
Ashwani Kumar Punn	Chairman	Independent Director
Poonam Sondhi	Member	Executive Director
Sanjeev Sondhi	Member	Managing Director

The terms of reference of CSR Committee shall, *inter-alia*, include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;

2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;

3. To monitor the CSR policy of the Company from time to time; and

4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

IPO Committee

Our IPO Committee was constituted pursuant to resolution of our Board dated August 10, 2018. Our IPO Committee comprises of the following members:

Name of Director	Designation	Nature of Directorship
Sanjeev Sondhi	Chairman	Managing Director
Poonam Sondhi	Member	Executive Director
Ashwani Kumar Punn	Member	Independent Director

The terms of reference of IPO Committee shall, *inter-alia*, include the following:

1. Approving amendments to the memorandum of association and the articles of association of the Company;

2. Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the "**CDSL**") and the National Securities Depository Limited (the "**NSDL**");

3. Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;

4. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;

5. Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;

6. Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Issue;

7. Deciding on the size and all other terms and conditions of the Issue and/or the number of Equity Shares to be issued and transferred in the Issue, including any Pre-IPO Placement, Reservation, Green Shoe Option and any rounding off in the event of any oversubscription as permitted under Applicable Laws;

8. Taking all actions as may be necessary or authorized in connection with the Issue;

9. Appointing and instructing book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue and whose appointment is required in relation to the Issue, including any successors or replacements thereof;

10. Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;

11. Entering into agreements with, and remunerating all such book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;

12. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements with the Stock Exchanges;

13. Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;

14. Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;

15. Determining the price at which the Equity Shares are issued and transferred to investors in the Issue in accordance with Applicable Laws, in consultation with the Selling Shareholder and the book running lead managers and/or any other advisors, and determining the discount, if any, proposed to be issued to eligible categories of investors;

16. Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;

17. Determining the bid opening and closing dates;

18. Finalizing the basis of allocation and transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead managers, the Stock Exchanges and/or any other entity;

19. Approving/taking on record the transfer of the Equity Shares;

20. Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under Applicable Laws;

21. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;

22. Severally authorizing Sanjeev Sondhi and Poonam Sondhi, Directors of the Company (each, an "Authorized Officer"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and

arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memoranda of understanding, the listing agreements with the stock exchanges, the registrar's agreement, the depositories' agreements, the offer agreement with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;

23. Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the GoI, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;

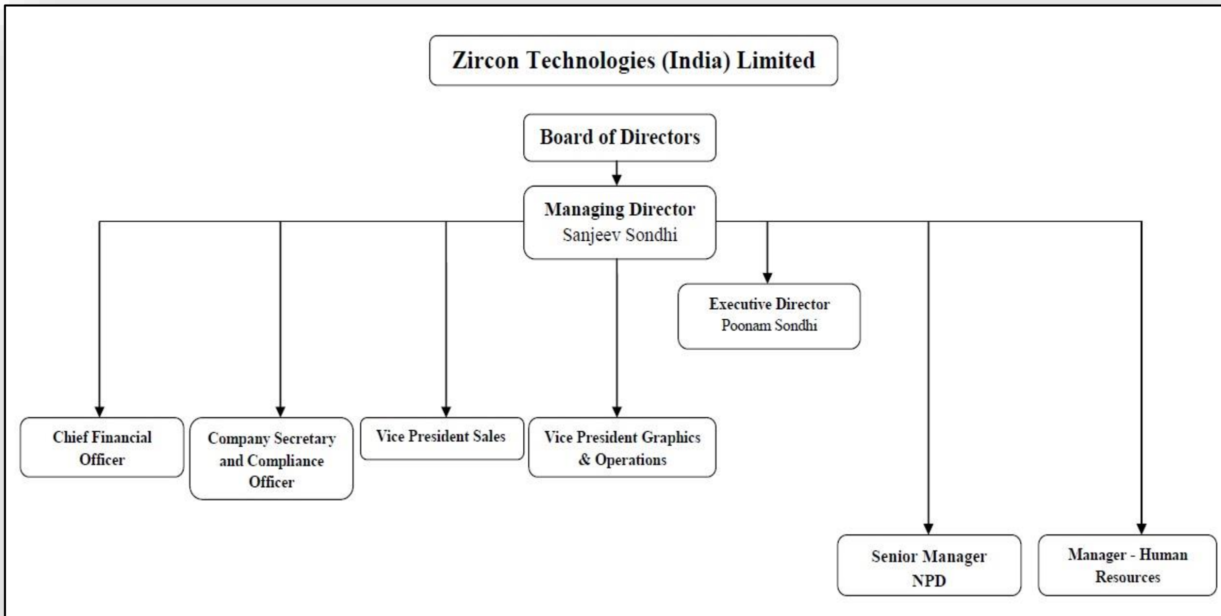
24. Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be; and

25. Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

Further, the IPO Committee shall have the authority to make any alteration, addition or make any variation in relation to the IPO, in consultation with the BRLM or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact IPO structure and the exact component of issue of shares.

Management Organization Structure

Set forth is the organization structure of our Company:



Our Key Managerial Personnel

In addition to Tilak Raj Sondhi, Sanjeev Sondhi and Poonam Sondhi whose details have been provided under the paragraph "*Brief profile of our Directors*", the details of our other Key Managerial Personnel, are as follows:

Pitamber Mishra, aged 37 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from CMJ University and also holds a master's degree in business administration (finance) from West Bengal University of Technology. He is responsible for accounts, finance, treasury and taxation in our Company. Prior to joining our Company, he has worked with JDS Apparels Private Limited. He joined our Company in 2012 as Manager (Accounts). He was appointed as the Chief Financial Officer pursuant to a resolution of our Board at their meeting on July 02, 2018 with effect from July 02, 2018. The remuneration paid to him during Fiscal 2018 was ₹ 0.97 million.

Akansha Sharma, aged 26 years, is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in commerce from Mahatma Jyotiba Phule Rohilkhand University. She is also a qualified Company Secretary. She is responsible for secretarial and compliance affairs of our Company. Prior to joining our Company, she has worked with M/s S. Aggarwal & Associates and Earth Infrastructures Limited. She was appointed pursuant to a resolution of our Board at their meeting held on May 29, 2018 with effect from June 01, 2018. There was no remuneration paid to her during Fiscal 2018.

Rajeev Kumar Manrai, aged 46 years, is the Vice President Sales of our Company. He holds a bachelor's degree in commerce from Delhi University. He has more than 25 years of experience in sales and marketing. Prior to joining our Company, he has worked with Madura Coats Private Limited, ECE Industries Limited, Kore Foods Limited (formerly Phil Corporation Limited) and Essae Technologys Private Limited. He joined our Company in 2004. The remuneration paid to him during Fiscal 2018 was ₹ 3.60 million.

Arun H.S., aged 50 years, is the Vice President Operations of our Company. He holds a post graduate diploma in printing technology from the Department of Technical Education, Government of Karnataka. He has more than 15 years of experience in areas of graphic designing, business development, software and technology. Prior to joining our Company, he has worked with Esko-Graphics India Private Limited. He joined our Company in 2017. The remuneration paid to him during Fiscal 2018 was ₹ 5.29 million.

All the above Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

Rajiv Kumar Manrai, our Vice President Sales, is the brother of Poonam Sondhi, who is an Executive Director on our Board. Except for the foregoing, none of our Key Managerial Personnel are related to any of our Directors or Promoter or to each other.

Contingent and deferred compensation payable to Key Managerial Personnel

With respect to our Key Managerial Personnel, there is no contingent or deferred payment accrued for Fiscal 2018, except for the commission to be paid to the Key Managerial Personnel.

Shareholding of the Key Managerial Personnel

For details of shareholding of our Key Managerial Personnel in our Company, please see "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 82.

Interest of our Key Managerial Personnel in our Company

None of our Key Managerial Personnel have any interest in our Company and, as the case may be, except to the extent of their, remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business, which they receive from our Company, their shareholding in our Company, if any, loans availed from our Company, if any.

Our Key Managerial Personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Changes in our Key Managerial Personnel during the last three years

Below are the details of changes in our Key Managerial Personnel during the last three years:

Name	Designation	Date of appointment	Date of cessation	Reason
Pitamber Mishra	Chief Financial Officer	July 02, 2018	-	Appointment
Akansha Sharma	Company Secretary and Compliance Officer	June 01, 2018	-	Appointment
Prem Kant Jha	Company Secretary	-	May 31, 2018	Resignation
Prem Kant Jha	Company Secretary	March 29, 2017	-	Appointment
Arun H.S.	Vice President Operations	October 23, 2017	-	Appointment

Bonus or Profit Sharing Plan for our Key Managerial Personnel

Our Company does not have a bonus or profit sharing plan for any of our Key Managerial Personnel.

Loans to Key Managerial Personnel

Our Company has not granted any loans to any of our Key Managerial Personnel.

Service Contracts with Key Managerial Personnel

Except for terms set forth in the appointment letters of each of the above Key Managerial Personnel, our Company has not entered into any other contractual arrangements with any of our Key Managerial Personnel.

Payment of non-salary related benefits to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary related amount or benefit has been paid, in the two years preceding this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

None of our Key Managerial Personnel are a party to any bonus or profit sharing plan.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Employee Stock Option Scheme

Our Company does not have an Employee Stock Option Scheme as on the date of this Draft Red Herring Prospectus.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Sanjeev Sondhi is the Promoter of our Company.

As on date of this Draft Red Herring Prospectus, our Promoter, Sanjeev Sondhi holds 14,740,000 Equity Shares, representing 99.80%, of the pre – Issue issued, subscribed and paid – up Equity Share Capital of our Company.

Details of our Promoter

The details Sanjeev Sondhi are set forth below:

Sanjeev Sondhi

Sanjeev Sondhi, aged 51 years, is the Managing Director of our Company. For further details, see "*Our Management*" on page 154.

Driving License number: Not available
Voter Identification Number: KND1229889

Our Company confirms that the permanent account numbers, bank account numbers and the passport numbers of our Promoter shall be submitted to the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus.

Other Ventures

Our Promoter is the proprietor of the proprietorship firm, M/s. Zion Inc. Except for the foregoing, and except as disclosed in "*Our Management – Other Directorships*", our Promoter is not a partner, Director or member of any other venture or company.

Changes in the management and control of our Company

There has been no change in the management or control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Disassociation by Promoter in the last three years

Our Promoter has not disassociated himself from any venture during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Interest of our Promoter

Interest of our Promoter in the promotion of our Company

Our Promoter is interested in our Company to the extent of the promotion of our Company and to the extent of his shareholding and directorship in our Company and the dividend declared and due, if any, and employment related benefits paid by our Company. For further details, see "*Capital Structure*" and "*Our Management*" on pages 74 and 154, respectively.

Interest of our Promoter in our Company other than as Promoter

Except as stated in "*Our Management*" and "*Related Party Transactions*" on pages 154 and 176, respectively, our Promoter does not have any interest in our Company other than as promoter.

Interest of our Promoter in the property of our Company

Our Company has entered into an agreement dated April 2, 2018 with Sanjeev Sondhi, our Promoter and Managing Director for purchase of residential property situated at C-7-4, Pinnacle Residency, Rajpur Road, Zakhan, Dehradun, Uttarakhand ("**Residential Property**") for a total consideration of ₹ 16.50 million to be used for the purpose of our Company's guest house. Further, our company has paid an advance of ₹ 5.50 million to Sanjeev Sondhi and out of the total balance consideration, fifty percent shall be paid in October/ November, 2018 and remaining consideration shall be paid by our Company to Sanjeev Sondhi in the month of December, 2018.

Except as disclosed above, our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery etc.

Payment of amounts or benefits to our Promoter or Promoter Group during the last two years

Except as disclosed in the sub-section "– *Interest of our Promoter*" mentioned above, no amount or benefit has been paid or given or intended to be paid or given by our Company to our Promoter or members of our Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to our Promoter or members of our Promoter group.

Litigation involving our Promoter

For details of legal and regulatory proceedings involving our Promoter, see "*Outstanding Litigation and Material Developments*" on page 326.

Related party transactions

Except as stated in "*Related Party Transactions*" on page 176, our Company has not entered into any related party transactions with our Promoter, during the last five Fiscal Years.

Confirmations

Our Company has not made any payments in cash or otherwise to our Promoter or to the firms or companies in which our Promoter is interested as member, director or promoter nor has our Promoter been offered any inducements to become director or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company.

Further, except as stated in "*Related Party Transactions*" on page 176, none of our sundry debtors are related to our Promoter in any manner.

Our Promoter Group

(a) Individuals forming part of the Promoter Group

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoter) are as follows:

Relationship with our Promoter	Sanjeev Sondhi
Father	Tilak Raj Sondhi
Mother	Anjana Sondhi

Relationship with our Promoter	Sanjeev Sondhi
Brother	Bhubhnesh Sondhi
Spouse	Poonam Sondhi
Son	Sanchay Sondhi
Spouse's Mother	Prem Lata
Spouse's Brother	Rajeev Kumar Manrai
Spouse's Sister	Mamta Vig

(b) Entities forming part of the Promoter Group

The companies and entities that form part of our Promoter Group are as follows:

Sr. No.	Name of the Promoter Group Entities
	Company
1.	Securedibs Technologies Private Limited
	Proprietorship Firm
2.	M/s. Zion Inc

Shareholding of the Promoter Group in our Company

For details in relation to the shareholding of our Promoter and Promoter Group as on the date of this Draft Red Herring Prospectus, see "*Capital Structure – Shareholding of our Promoter and other members of our Promoter Group*" on page 78.

Other Confirmations

Our Promoter and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Our Promoter and members of our Promoter Group have not been declared as wilful defaulters as defined under the SEBI ICDR Regulations.

Our Promoter is not and has never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Common Pursuits

Except M/s. Rokani & Sons, M/s. Zion Inc. and Securedibs Technologies Private Limited, our Promoter is not involved in any venture that is in the same line of activity or business as us.

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, for the purpose of identification of "group companies" in relation to the disclosure in offer documents, our Company has considered:

- companies covered under applicable accounting standards (i.e., companies disclosed as related parties in accordance with Indian Accounting Standard 24 issued by the MCA) as per the Restated Audited Financial Information; and

- other companies that are considered material by our Board pursuant to the materiality policy adopted by our Company by a board resolution dated August 10, 2018.

Pursuant to a resolution of our Board dated August 10, 2018, for the purpose of disclosure in the Draft Red Herring Prospectus, a company shall be considered 'material' by our Board if:

(a) such company is a member of our Promoter Group and the Company has entered into one or more transactions with such company in the most recent Fiscal Year, being Fiscal Year 2018 and any stub period (in respect of which restated financial statements are included in offer documents) which, individually or in the aggregate, exceed 10% of the total standalone revenues of the Company, as per the last annual restated standalone financial statements; or

(b) such company would, subsequent to the Relevant Period, require disclosure in the standalone and consolidated financial statements of the Company for subsequent periods as an entity covered under Indian Accounting Standard 24, in addition to/ other than those companies covered in the schedule of related party relationships in terms of the Indian Accounting Standard 24 in the restated standalone and consolidated financial statements of the Company for the Relevant Period.

Pursuant to the materiality policy set out hereinabove, Securedibs Technologies Private Limited is our Group Company as on the date of this Draft Red Herring Prospectus.

Set forth below are the details of our Group Company:

Securedibs Technologies Private Limited ("Securedibs")

Corporate Information

Securedibs is a private limited company and was incorporated on May 10, 2016 under the Companies Act, 2013 with the Registrar of Companies, NCT of Delhi & Haryana.

Securedibs is enabled under its objects to carry on the business of, *inter alia*, developing, selling or otherwise dealing in security printing on labels, aluminum foils and other types of forms and documents, and in authentication, anti-counterfeiting, track and trace solutions, RFID and bar coding products and solutions in the domestic and international markets. Securedibs is not engaged in any business activities as on the date of this Draft Red Herring Prospectus.

Interest of our Promoter

Our Promoter, Sanjeev Sondhi holds 10,000 equity shares constituting 50.00% of the issued and paid up equity share capital of Securedibs. Sanjeev Sondhi is also a director on the board of Securedibs and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him.

Financial Information

Set forth below is the financial information of Securedibs based on its audited financial statements since its incorporation:

(*₹ in million, except for per share data*)

Particulars	As on March 31, 2018	As on March 31, 2017*
Equity Capital	200,000	200,000
Reserves and Surplus (excluding revaluation reserves)	6,052	(5,000)
Total revenue	20,000	-
Profit (Loss) after Tax	11,052	(5,000)
Basic EPS	0.55	(0.25)
Diluted EPS	0.55	(0.25)
Net Asset Value per equity share	10.30	9.75

** Securedibs was incorporated on May 10, 2016.*

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Loss making Group Company

Our Group Company has not incurred any losses in the last Fiscal.

Interest of our Group Company in our Company

(a) Business interests

Our Group Company does not have any interest in the promotion or any business interest or other interests in our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past two years preceding the filing of this Draft Red Herring Prospectus with SEBI

Our Group Company is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus with SEBI.

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

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

Common Pursuits between our Group Company and our Company

Securedibs Technologies Private Limited, our Group Company is authorised to carry out business similar to ours, which is, business of security printing of labels and bar coding products and solutions, however, it is not carrying out any business activities as on the date of this Draft Red Herring Prospectus.

Accordingly, as on the date of this Draft Red Herring Prospectus, there are no common pursuits and conflicts of interest between our Group Company and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

For further information, see *"Related Party Transactions"* on page 176.

Sale/ purchase between our Group Company and our Company

Our Group Company is not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate 10.00% of the total sales or purchases of our Company.

Defunct Group Company

Our Group Company is not defunct and no application has been made to the Registrar of Companies for striking off the name of our Group Company during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

Sick Group Company

Our Group Company is not a sick industrial company under the erstwhile SICA, nor has it been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further, no winding up proceedings or insolvency or bankruptcy proceedings have been initiated against our Group Company.

Other confirmations

The securities of our Group Company are not listed on any stock exchange and our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in preceding three years.

Further, our Group Company has not been debarred from accessing the capital market for any reasons by SEBI or any other authorities nor has it been identified as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the RBI.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last five Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see "*Financial Statements*", beginning on page 178.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last five Fiscals.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Details
1.	Restated Consolidated Financial Statements
2.	Restated Standalone Financial Statements

EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors,
Zircon Technologies (India) Limited
NO-2B-1226, G.D. Colony,
Mayur Vihar Phase-III,
New Delhi 110096.

Dear Sirs,

1) We have examined the attached Restated Consolidated Financial Information of Zircon Technologies (India) Limited (the "Holding Company" or the "Company"), and its Subsidiary Partnership Firm (herein after called "The Group"), which comprise of the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2018, and 31 March 2017, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for each of the years ended 31 March 2018, and 31 March 2017, and the Significant Accounting Policies, read together with the annexures and notes thereto and other restated consolidated financial information as appearing in paragraph 8 below (collectively, together with the notes and annexures thereto, the "Restated Consolidated Financial Information"), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO"), as approved by the Board of Directors of the Company prepared in terms of the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act"), as amended; and

   (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date (the "ICDR Regulations") in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.

2) The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Group for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Group complies with the Act and ICDR Regulations.

3) We have examined such Restated Consolidated Financial Information after taking into consideration:

   (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 10th August 2018 in connection with the proposed issue of equity shares of the Company; and

   (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI ("The Guidance Note").

4) The Restated Consolidated Financial Information have been compiled by the management as follows:

(a) As at and for the years ended 31 March 2018 and 31 March 2017 from the audited consolidated financial statements of the Group as at and for the years ended 31 March 2018 and 31 March 2017, being the comparative period for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act, other relevant provisions of the Act, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on 30th August 2018. The audited consolidated financial Statements of the Group as at and for the year ended 31 March 2017, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, other relevant provisions of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on 01st September 2017. These audited consolidated financial Statements of the Group have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016 ('transition date') and are disclosed as the comparative figures for the year ended 31 March 2018;

5) We did not audit the financial statements of its Subsidiary Partnership Firm as listed below whose total assets, total revenues and share of net profit/loss, included in the Restated Consolidated Financial Information, for each of the financial year is tabulated below:

(Amounts in Rs. Million)

Particulars	31 March 2018	31 March 2017
Name of the Subsidiary Partnership Firm	Rokani & Sons.	Rokani & Sons.
Total Assets	198.27	66.40
Revenue	171.99	80.51
Group's share of Net Profit / (Loss)	11.11	0.11

All the financial statements mentioned in para 5 above, has been audited by the other auditor and has been furnished to us by the management, and our opinion in so far as it relates to the amounts included in these Restated Consolidated Financial Information are based solely on the financial statements audited by the other auditor and information and explanations provided to us by the management of the Company.

The Management have confirmed that the restated consolidated financial information in relation to the financial statements the Subsidiary Partnership Firm as given above in para 5:

(a) has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(b) has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(c) do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.

6) The audit of the Group's Consolidated financial statements as referred in paragraph 4 above for the year ended 31 March 2017 was conducted by the predecessor auditor, K.B. Chandna & Co, Chartered Accountants.

7) Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note and terms of our engagement agreed with you, read together with paragraph 3 above, including reliance placed on the confirmation of the Management as referred to in paragraph 5 above and the reliance placed on the audit report of the predecessor auditor as referred to in paragraph 6 above, we report that:

   (a) The Restated Consolidated Statement of Assets and Liabilities of the Group as at 31March 2018, and 31 March 2017, examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as, in our opinion, were appropriate and more fully described in Annexure VIII – Restated Consolidated Statement of Adjustments to Audited Financial Statements and Notes to Restated Statement of Adjustments to Audited Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned Statement are not necessarily the same as those appearing in the audited Consolidated Financial Statements of the Group as at and for each of the relevant financial years.

   (b) The Restated Consolidated Statement of Profit and Loss and Other Comprehensive Income of the Group for each of the years ended 31 March 2018, and 31 March 2017, examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VIII– Restated Consolidated Statement of Adjustments to Audited Financial Statements and Notes to Restated Statement of Adjustments to Audited Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned Statement are not necessarily the same as those appearing in the audited Consolidated Financial Statements of the Group as at and for each of the relevant financial years.

   (c) The Restated Consolidated Statement of Cash Flows of the Group for each of the years ended 31 March 2018, and 31 March 2017, examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VIII – Restated Consolidated Statement of Adjustments to Audited Financial Statements and Notes to Restated Statement of Adjustments to Audited Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned Statement are not necessarily the same as those appearing in the audited Consolidated Financial Statements of the Group as at and for each of the relevant financial years.

   (d) The Restated Consolidated Statement of Changes in Equity of the Company for each of the years ended 31 March 2018, and 31 March 2017, examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regrouping/reclassifications as, in our opinion were, appropriate and more fully described in Annexure VIII – Restated Consolidated Statement of Adjustments to Audited Financial Statements and Notes to Restated Statement of Adjustments to Audited Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned Statement are not necessarily the same as those appearing in the audited Consolidated Financial Statements of the Group as at and for each of the relevant financial years.

(e) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the confirmation of the Management as referred to in paragraph 5 and the audit report of the predecessor auditor as referred to in paragraph 6 above, we further report that the Restated Consolidated Financial Information

(i) As explained in Annexure VIII to the Restated Consolidated Financial Information, the Restated Consolidated Financial Information has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(ii) As explained in Annexure VIII to the Restated Consolidated Financial Information, the Restated Consolidated Financial Information has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(iii) The Restated Consolidated Financial Information do not contain any extra-ordinary item that need to be disclosed separately in the Restated Financial Information and have been adjusted for qualifications, if any, in the auditor's report in the respective financial years to which they relate.

8) We have also examined, including reliance placed on the confirmation of the Management as referred to in paragraph 5 and on the audit report of the predecessor auditors as referred to in paragraph 6 the following Restated Consolidated Financial Information of the Group as set out in the Annexures prepared by the management and approved by the Board of Directors on 12th September 2018 for each of the years ended 31 March 2018, and 31 March 2017:

(i) Corporate Information, Basis of Accounting, Significant Accounting Policies and Significant Judgements & Key Estimates as enclosed in Annexure V;
(ii) Notes to Restated Consolidated Financial Information as enclosed in Annexure VI;
(iii) Other Explanatory Information and Notes on Restated Consolidated Financial Information as enclosed in Annexure VII;
(iv) Restated Consolidated Statement of Adjustments to Audited Financial Statements as enclosed in Annexure VIII;
(v) Restated Consolidated Statement of Other Income, as enclosed in Annexure IX
(vi) Restated Consolidated Statement of Accounting Ratios, as enclosed in Annexure X;
(vii) Restated Consolidated Statement of Capitalisation, as enclosed in Annexure XI; and
(viii) Restated Consolidated Statement of Dividend declared/paid, as enclosed in Annexure XII;

9) According to the information and explanations given to us, in our opinion, the Restated Consolidated Financial Information and the above mentioned Other Restated Consolidated Financial Information contained in Annexures VI to XII accompanying this report, read with the Consolidated Statement of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note.

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and by the previous auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12) Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, stock exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Singhi & Co,**
Chartered Accountants
Firm's Registration No: 302049E

B.L. Choraria
Partner
Membership No: 022973

Place: Noida (Delhi NCR)
Date: 12th September 2018

ZIRCON TECHNOLOGIES (INDIA) LIMITED
Annexure I - RESTATED CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES
(Rs. in Million unless otherwise stated)

	Particulars	Note No.		As at 31st March 2018	As at 31st March 2017
	ASSETS				
	Non-Current Assets				
(a)	Property, Plant & Equipment	5		594.75	493.41
(b)	Capital work-in-progress	5		0.00	20.14
(c)	Goodwill	6		6.02	6.65
(d)	Intangible assets	6		5.13	3.62
			A	**605.90**	**523.82**
(e)	Financial Assets				
	(i) Other financial assets	7		3.84	4.52
(f)	Deferred Tax Assets (Net)	22		23.98	19.01
(g)	Other Non-Current Assets	8		14.66	7.71
			B	**42.48**	**31.24**
	Current Assets				
(a)	Inventories	9		166.06	138.78
(b)	Financial Assets				
	(i) Trade Receivables	10		248.29	191.09
	(ii) Cash and Cash Equivalents	11		14.12	23.97
	(iii) Bank balances other than Note 11 above	12		21.65	9.12
	(iv) Other financial assets	13		3.52	11.85
(c)	Other Current Assets	14		25.46	26.18
			C	**479.11**	**400.99**
	TOTAL ASSETS		(A+B+C)	**1,127.48**	**956.05**
	EQUITY AND LIABILITIES				
	Equity				
(a)	Equity Share Capital	15		88.62	88.62
(b)	Other Equity	16		109.07	45.15
	Total Equity			**197.69**	**133.77**
(c)	Non-controlling interests			0.23	0.12
			D	**197.92**	**133.89**
	Liabilities				
	Non-Current Liabilities				
(a)	Financial Liabilities:				
	(i) Borrowings	17		164.11	143.15
	(ii) Trade Payables	18		147.33	133.05
	(iii) Other Financial Liabilities	19		49.09	48.61
(b)	Other Non Current Liabilities	20		66.18	66.18
(c)	Provisions	21		0.86	0.66
			E	**427.57**	**391.65**
	Current Liabilities				
(a)	Financial Liabilities:				
	(i) Borrowings	23		240.04	290.17
	(ii) Trade Payables	24			
	Total outstanding dues of Micro, small & medium enterprises			-	-
	Total outstanding dues of others			139.82	42.58
	(iii) Other Financial Liabilities	25		98.49	78.30
(b)	Other Current Liabilities	26		11.94	10.20
(c)	Provisions	27		0.09	0.04
(d)	Current Tax Liabilities (net)	28		11.61	9.23
			F	**501.99**	**430.52**
	TOTAL EQUITY & LIABILITIES		(D+E+F)	**1,127.48**	**956.05**

Corporate and General Information	1
Basis of Accounting	2
Significant Accounting Policies	3
Significant Judgements and Key Estimates	4
Other explanatory information and notes on accounts	38

The Notes are an integral part of the Financial Statements

In terms of our report attached
For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

B. L. Choraria
Partner
Membership No. 022973

Place: Noida (Delhi-NCR)
Date: 12th Sept'2018

For and on behalf of the Board of Directors
Zircon Technologies (India) Limited

Sanjeev Sondhi
Director
(DIN 01053263)

Poonam Sondhi
Director
(DIN 01053297)

Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE II- RESTATED CONSOLIDATED STATEMENT OF PROFIT & LOSS
(Rs. in Million unless otherwise stated)

	Particulars		Note No.	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
	INCOME				
I	Revenue from Operations (Gross)		**29**	959.69	945.92
II	Other income		**30**	2.71	40.22
III	Total Income	(I+II)		**962.41**	**986.14**
IV	**EXPENSES**				
	Cost of materials consumed		**31**	578.43	616.51
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress		**32**	7.05	(14.78)
	Excise Duty			18.92	73.92
	Employee benefits expense		**33**	57.90	43.11
	Finance costs		**34**	67.52	49.16
	Depreciation and Amortisation expense		**35**	23.03	47.82
	Other expenses		**36**	138.63	124.91
	Total expenses			**891.48**	**940.64**
V	Profit before Exceptional Items & Tax	(III-IV)		**70.93**	**45.50**
VI	Exceptional Items			-	-
VII	**Profit before Tax and Pre acquisition profit**	(V-VI)		**70.93**	**45.50**
	Preacquisition Profit			-	**3.41**
	Profit before Tax			**70.93**	**42.09**
VIII	Tax expense		**37**		
	(1) Current tax			12.20	9.64
	(2) Deferred tax expense			6.00	14.65
	(3) Tax Credit Entitlement			(11.08)	(6.22)
IX	**Profit for the Year**	(VII-VIII)		**63.81**	**24.02**
X	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to profit or loss				
	Remeasurement of defined benefit obligation			0.34	1.37
	(ii) Income tax relating to items that will not be reclassified to profit or loss				
	Tax impact on Remeasurement of defined benefit obligation			(0.12)	(0.47)
	Other Comprehensive Income for the Year (Net of Tax)			**0.22**	**0.89**
XI	**Total Comprehensive Income for the Year**	(IX+X)		**64.03**	**24.91**
	Profit/(loss) for the year attributable to:				
	- Owner of the Company			63.70	24.02
	- Non-controlling interest			0.11	0.00
				63.81	**24.02**
	Other Comprehensive income for the year attributable to:				
	- Owner of the Company			0.22	0.88
	- Non-controlling interest			0.00	0.01
				0.22	**0.89**
	Total Comprehensive income for the year attributable to:				
	- Owner of the Company			63.92	24.90
	- Non-controlling interest			0.11	0.01
				64.03	**24.91**
	Earning per Share		**38(5)**		
	(Nominal value of share Rs. 10)				
	(1) Basic			**4.31**	**1.63**
	(2) Diluted			**4.31**	**1.63**

Corporate and General Information	**1**
Basis of Accounting	**2**
Significant Accounting Policies	**3**
Significant Judgements and Key Estimates	**4**
Other explanatory information and notes on accounts	**38**

The Notes are an integral part of the Financial Statements

For and on behalf of the Board of Directors

Zircon Technologies (India) Limited

In terms of our report attached
For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sanjeev Sondhi
Director
(DIN 01053263)

Poonam Sondhi
Director
(DIN 01053297)

B. L. Choraria
Partner
Membership No. 022973

Place: Noida (Delhi-NCR)
Date: 12th Sept'2018

Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE III- RESTATED CONSOLIDATED STATEMENT OF CASH FLOW
(Rs. in Million unless otherwise stated)

	Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A.	**Cash flow from operating activities**		
	Profit before tax	70.93	42.09
	Adjustments for :		
	Depreciation and amortisation expense	23.03	47.82
	Interest on borrowings	57.46	49.16
	(Gain)/Loss on Exchange fluctuation on borrowings	1.69	(0.08)
	Loss on sale of Property, Plant & Equipment	0.81	2.11
	Provision for Doubtful debts	4.80	0.00
	Interest on Margin Money	(1.98)	(1.62)
	Government Grant	0.19	(0.21)
	Unfolding of Security Deposit	(0.12)	(0.10)
	Gain on Remeasurement of Financial Liability	9.28	(36.95)
		166.09	**102.22**
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(27.29)	(24.67)
	Trade receivables	(61.00)	(14.39)
	Other current assets	(0.27)	(17.65)
	Other current financial assets	8.33	(3.11)
	Other non-current financial assets	0.80	0.14
	Other non current assets	(6.95)	14.16
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	95.55	(156.01)
	Non Current Trade payables	5.00	170.00
	Current Provisions	0.05	(0.06)
	Other current liabilities	1.74	0.37
	Non Current Provisions	0.53	0.15
	Other non current liabilities	(0.18)	0.36
	Cash generated from operating activities	**182.41**	**71.50**
	Current taxes paid (net)	(9.82)	(8.59)
	Net cash generated from/ (used in) operating activities	**172.59**	**62.91**
B.	**Cash flow from investing activities**		
	Capital expenditure on property, plant & equipment	(126.35)	(203.09)
	(Increase)/Decrease in Capital Work in Progress	20.14	(15.50)
	Sale proceeds of property, plant and equipment	0.29	2.27
	Margin Money	(12.54)	20.13
	Interest on Fixed Deposit / Margin Money	1.98	1.62
	Net cash generated from/(used in) investing activities	**(116.48)**	**(194.57)**
C.	**Cash flow from financing activities**		
	Interest paid	(57.46)	(49.16)
	(Repayment) / proceeds from Current Borrowings	(50.13)	85.03
	(Repayment) / proceeds from non Current financial Borrowings	20.96	24.68
	Non Controlling Interest on Acquisition	-	0.12
	Current financial liabilities	20.19	28.82
	Non current financial liabilities	0.48	48.61
	Net cash generated from/(used in) financing activities	**(65.96)**	**138.10**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(9.85)**	**6.44**
	Cash and cash equivalents at the beginning of the year	23.97	17.54
	Cash and cash equivalents at the end of year (refer note 11)	**14.12**	**23.97**

Change in Liability arising from financing activities	**31st March 2017**	**Cash Flow**	**Non Cash Changes**	**31st March 2018**
			Foreign Exchange Movement	
Borrowings- Non Current	143.15	20.96	-	164.11
Borrowings - Current	290.17	(50.18)	0.05	240.04

1) The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.
2) Figures in brackets indicate cash outflow.
3) Figures for the previous year have been regrouped wherever considered necessary.
4) Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

The Notes are an integral part of the Financial Statements

In terms of our report attached
For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

B. L. Choraria
Partner
Membership No. 022973

Place: Noida (Delhi-NCR)
Date: 12th Sept'2018

For and on behalf of the Board of Directors

Zircon Technologies (India) Limited

Sanjeev Sondhi
Director
(DIN 01053263)

Poonam Sondhi
Director
(DIN 01053297)

Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE IV- RESTATED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
(Rs. in Million unless otherwise stated)

a) Equity Share Capital

hba	Amount
Balance as at 1st April 2016	22.16
Add: Bonus Shares Issued During the Year	66.47
Balance as at 31st March 2017	**88.62**
Add: Shares Issued During the Year	-
Balance as at 31st March 2018	**88.62**

b) Other Equity

	Reserve & Surplus	Items of Other Comprehensive Income	Attributable to Owners of Zircon Technologies (India) Limited	Non Controlling Interest	Total Other Equity
	Retained Earnings	Remeasurement of Defined Benefit Plans			
Balance as at 1st April, 2016	**86.70**	**-**	**86.70**		**86.70**
Non Controlling Interest on Acquisition				0.12	0.12
Profit for the Year	24.02		24.02	0.00	24.02
Bonus Issue	(66.47)		(66.47)		(66.47)
Remeasurement Gain/(Loss)		1.37	1.37		1.37
Impact of Tax		(0.47)	(0.47)		(0.47)
Balance as at 31st March, 2017	**44.26**	**0.89**	**45.15**	**0.12**	**45.27**

	Reserve & Surplus	Items of Other Comprehensive Income	Attributable to Owners of Zircon Technologies (India) Limited	Non Controlling Interest	Total Other Equity
	Retained Earnings	Remeasurement of Defined Benefit Plans			
Balance as at 31st March, 2017	**44.26**	**0.89**	**45.15**	**0.12**	**45.27**
Profit for the Year	63.70		63.70	0.11	63.70
Remeasurement Gain/(Loss)		0.34	0.34		0.34
Impact of Tax		(0.12)	(0.12)		(0.12)
Balance as at 31st March, 2018	**107.96**	**1.11**	**109.07**	**0.23**	**109.19**

The Notes are an integral part of the Financial Statements

In terms of our report attached
For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

B. L. Choraria
Partner
Membership No. 022973

Place: Noida (Delhi-NCR)
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Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

Note No

1 **CORPORATE AND GENERAL INFORMATION**

Zircon Technologies (India) Limited is a Public Limited Company incorporated in India having its registered office at New Delhi ("National Capital Territory of Delhi,") India. It was incorporated as per the provisions of the Companies Act' 1956 as Zircon Pharma Impex Private Limited in the year 1999. In the year 2003 Name of the Company was changed to M/s Zircon Technologies Private Limited. In the year 2008, the name of the company has once again changed to Zircon Technologies (India) Limited. The Company is primarily engaged in the manufacturing of labels & Brand Security labels as its core business activity. It has one subsidiary partnership firm namely "Rokani & Sons" having control of 99%. The Parent Company and its subsidiary partnership firm together referred as "the Company" or "the Group".

2 **BASIS OF ACCOUNTING**

2.1 **Statement of Compliance**

These Financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies(Indian Accounting Standards) Amendment Rules,2016, other relevant provisions of the Act and other accounting principles generally accepted in India.

The Financial statements for all periods up to and including the year ended 31st March, 2016, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These Financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101"First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported Financial position, Financial performance and cash flows of the Company is provided in Note No. 38(12). Certain Ind-AS accounting policies of the Company used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101.

The Financial statements of the Company for the year ended 31st March, 2018 have been approved by the Board of Directors in their meeting held on 12th Sept'2018.

2.2 **Basis of Measurement**

The Financial statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortized cost;

- Defined benefit plans – plan assets measured at fair value.

2.3 **Functional and Presentation Currency**

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All Financial information presented in INR has been rounded off to the nearest lakh upto two places of decimal as per the requirements of Schedule III of "the Act" , unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of Financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the Financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

Method of depreciation applied to the assets has been reviewed in the financial year 2017-2018 and on the basis of expected pattern of consumption of the future economic benefits embodied in the asset, the company has changed the method of depreciation on an assets from written-down-value method (WDV) to Straight-line-method on systematic basis over the useful life of the assets. Such change has been accounted for as a change in an accounting estimate in accordance with Ind AS 8.

2.5 Current vs. Non-current classification of Assets and Liability

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.6 BASIS OF CONSOLIDATION

Subsidiary Partnership Firm

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiary acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Consolidated subsidiary have a consistent reporting date of 31st March 2018. The Group consolidates the financial statements of the parent and its subsidiary on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The difference between the Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Parent company have 99% control over its subsidiary.

Business Combination

Business combinations (other than common control business combinations) on or after 1 April 2016

As part of transition to Ind AS, the Group and its associate has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred after 1 April 2016. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquire. Such amounts are generally recognised in profit and loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit and loss.

If business combination is achieved in stages, any previous held equity interest in the acquire is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in profit and loss or OCI, as appropriate.

3 SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the Financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Financial Statements.

3.1 Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on first in first out(FIFO) basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make it saleable. However, consumables such as finished plates and designs dies are valued at amortized cost.

3.2 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks, cash in hand & short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in Other Comprehensive Income.

3.3.1 Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2 Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in Other Comprehensive Income (OCI) or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

- Deferred tax includes Tax Credit under section 115JAA of Income Tax Act,1961 recognized as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which Tax credit is allowed to be carried forward. The company review the "Tax Credit Entitlement" asset at each reporting date and writes down the assets to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

3.4 **Property, Plant and Equipment**

3.4.1 **Recognition and Measurement:**

-Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

- cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.2 **Subsequent Expenditure**

- Subsequent costs are included in the asset’s carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.3 **Depreciation and Amortization**

- Depreciation on property, plant and equipment assets is provided on straight line method which hitherto is provided on written down value method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the companies Act 2013, except for the below mention category of tangible assets rates are determined based on the useful lives estimated by the management. The Company has used the following useful lives to provide depreciation on the following assets.

- The estimate of the management, supported by the independent assessment by the professional.

S.no	Category of Assets	Useful Life	Remark
1	Plant & Machinery (Used in printing and manufacturing of finished plates)	30 Years	Higher than those Indicated in schedule II of the Companies Act 2013

- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-30 years.

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use / put to Use (disposed of).

- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.

- the residual values, useful lives and methods of Depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.4.4. **Disposal of Assets**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3.4.5. **Reclassification to Investment Property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

3.4.6. **Capital Work in Progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets, Exchange fluctuation and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.5 **Leases**

3.5.1. **Determining whether an arrangement contains a lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to the date of transition, the company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

3.5.2. **Company as lessor**

- Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

- Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.5.3. **Company as Lessee**

- Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, 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 under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

- Operating Lease

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to Statement of Profit and Loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.6 **Revenue Recognition**

- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

3.6.1. **Sale of Goods**

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

3.6.2. **Interest Income**
Interest other than interest on overdue debts from customers, is recognized on time proportion basis.

3.6.3. **Dividend Income**

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

3.6.4. **Other Operating Revenue**

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

3.6.5. **Insurance claims**

Insurance claims are accounted for on acceptance or to the extent amount have been received.

3.6.6. **Profit/(Loss) from Subsidiary Partnership firm**

Share of profit /(loss) in subsidiary partnership firm is recognized in proportion of profit sharing ratio.

3.7 **Employee Benefits**

3.7.1. **Short Term Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2. **Other Long Term Employee Benefits**

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

3.7.3. **Post Employment Benefits**

The Company operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in Other Comprehensive Income. Remeasurement recognized in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

- Defined Contribution Plan

Defined contribution plans such as provident fund etc. are charged to the Statement of Profit and Loss as and when incurred.

3.8 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognized in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognized.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets.

Government grants related to import of property, plant and equipment against export sales obligation are credited to the statement of profit and loss on systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Total grants received less amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income. Interest and Penalty if any on non-fulfilment of obligation shall be charged to Statement of Profit and Loss when the same is materialized.

3.9 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

-The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

3.10 Borrowing Cost

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

3.11 Investment in Subsidiary

Investments in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

3.12 **Financial Instruments**

A Financial instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or equity instrument of another entity.

3.12.1 **Financial Assets**

- Recognition and Initial Measurement:

All Financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A Financial asset is initially measured at fair value plus, in the case of Financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

- Classification and Subsequent Measurement:

For purposes of subsequent measurement, Financial assets are classified in four categories:
o Measured at Amortized Cost;
o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
o Measured at Fair Value Through Profit or Loss (FVTPL); and
o Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing Financial assets.

o Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and

- The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

o Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

o Equity Instruments measured at FVTOCI: Equity instrument in scope of Ind AS – 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.

o All other Financial instruments are classified as measured at FVTPL.

- Derecognition

The Company derecognizes a Financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the Financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- Impairment of Financial Assets

The Company assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other Financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the Financial asset has increased significantly since initial recognition.

3.12.2. **Financial Liabilities**

- Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss. Other Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

- Financial Guarantee Contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

- Derecognition

A Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

- Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.13 **Impairment of Non-Financial Assets**

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.14 **Provisions, Contingent Liabilities and Contingent Assets**

3.14.1. **Provisions**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.14.2. **Contingent Liabilities**

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.14.3. **Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.15 **Intangible Assets**

3.15.1. **Recognition and Measurement**

Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

3.15.2. **Subsequent Expenditure**

Subsequent costs are included in the asset’s carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

3.15.3. **Amortization**

- Other Intangible assets are amortized over a period of three years.

- The amortization period and the amortization method are reviewed at least at the end of each Financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.15.4. **Intangible Assets under Development**

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.16 **Investment properties**

- Investment Property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

- Upon initial recognition, an investment Property is measured at cost. Subsequently they are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.

- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the Statement of Profit and Loss.

- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of "the Act''.

- Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. the net difference between the net disposal proceeds and the carrying amount of the asset is recognized in Statement of profit or loss in the period of derecognition.

3.17 **Operating Segment**

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. The operating segments have been identified on the basis of the nature of products/services, the company has single operating segments.

3.18 **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

3.19 **Exceptional Items**

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's Financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

3.20 **Measurement of Fair Values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-Financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial statements are categorized within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3.21 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the Financial statements will be given in due course.

Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).The effective date for adoption of Ind AS 115 is Financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the Financial statements will be given in due course.

Amendment to Ind AS 12

Amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 40

An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in Management's intentions for the use of a property does not provide evidence of a change in use. When an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the balance sheet) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment.'' The Company is evaluating the requirements of the amendment and its impact on the financial statements.

4 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial statements is included in the following notes:

- Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- Useful lives of depreciable/ amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

- Classification of Leases: The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

- Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

- Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- Impairment of Financial Assets: The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- Allowances for Doubtful Debts: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

- Fair value measurement of Financial Instruments: When the fair values of Financial assets and Financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

- Research & Development: The revenue expenditure on R&D is charged to statement of profit & loss of the year in which it is incurred. Expenditure which results in creation of capital assets is treated similar to other fixed assets.

- Warranty : Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

- Finished Plates and design dies : Finished plates and design die are amortized/discard over a period of three years and charged to statement of profit and loss.

(Rs. in Million unless otherwise stated)

Note No. 5 Property, Plant & Equipment [Refer Note no. 38(2) and 38(13)]

	LAND - FREE HOLD	LAND - LEASE HOLD	FACTORY BUILDINGS	ELECTRIC INSTALLATION	PLANT & MACHINERY	OFFICE EQUIPMENT	FURNITURE & FIXTURES	VEHICLES	COMPUTERS	Total	CAPITAL WIP	GRAND TOTAL
Gross Block as at 1st April, 2016	**22.22**	**-**	**36.23**	**9.39**	**413.31**	**3.48**	**4.32**	**12.50**	**6.05**	**507.49**	4.64	512.12
Accumulated Depreciation	-	-	14.39	6.68	117.45	2.73	2.64	10.30	4.57	**158.77**	0.00	158.77
Deemed Cost As at 1st April, 2016	**22.22**	**-**	**21.84**	**2.71**	**295.86**	**0.75**	**1.67**	**2.20**	**1.48**	**348.72**	**4.64**	**353.36**
Additions	-	-	1.31	9.38	179.62	0.03	1.70	-	0.57	**192.61**	20.14	212.74
Addition on account of Acquisition	-	-	3.18	-	0.29	-	0.02	0.02	0.00	3.50	-	3.50
Disposals	-	-	-	-	7.89	-	-	0.50	-	**8.39**	4.64	13.03
Balance as at 31 March, 2017	**22.22**	-	**26.33**	**12.08**	**467.87**	**0.77**	**3.39**	**1.71**	**2.06**	**536.43**	**20.14**	**556.57**
Additions	-	0.63	21.25	4.45	79.75	0.01	2.21	14.31	1.68	**124.31**	-	**124.31**
Disposals	-	-	2.43	-	(0.00)	-	-	-	-	**2.43**	20.14	**22.57**
Balance as at 31 March, 2018	**22.22**	**0.63**	**45.15**	**16.53**	**547.63**	**0.79**	**5.61**	**16.02**	**3.74**	**658.31**	**0.00**	**658.31**
Accumulated Depreciation												
Charge for the Year	-	-	2.44	0.99	41.19	0.35	0.69	0.79	0.58	**47.03**	-	**47.03**
Disposals	-	-	-	-	3.61	-	-	0.39	-	**4.01**	-	**4.01**
Balance as at 31 March, 2017	**-**	**-**	**2.44**	**0.99**	**37.57**	**0.35**	**0.69**	**0.40**	**0.58**	**43.02**	**-**	**43.02**
Charge for the Year	-	0.05	1.37	1.37	16.21	0.14	0.40	1.64	0.68	**21.87**	-	**21.87**
Disposals	-	-	1.33	-	-	-	-	-	-	**1.33**	-	**1.33**
Balance as at 31 March, 2018	**-**	**0.05**	**2.48**	**2.36**	**53.79**	**0.49**	**1.09**	**2.04**	**1.25**	**63.56**	**-**	**63.56**
Net carrying amount												
At 1 April, 2016	22.22	-	21.84	2.71	295.86	0.75	1.67	2.20	1.48	348.72	4.64	353.36
At 31 March, 2017	22.22	-	23.88	11.10	430.30	0.43	2.70	1.31	1.48	493.41	20.14	513.55
At 31 March, 2018	**22.22**	**0.58**	**42.67**	**14.17**	**493.84**	**0.30**	**4.52**	**13.98**	**2.48**	**594.75**	**-**	**594.75**

Note No. 6 Intangible Assets [Refer Note no. 38(13)]

	Computer Software	Goodwill	Total
Balance as at 1st April, 2016	17.72	-	17.72
Accumulated Amortisation	13.65	-	13.65
Deemed Cost As at 1st April, 2016	**4.07**	**-**	**4.07**
Additions	0.34	6.65	6.99
Disposals	-	-	-
Balance as at 31 March, 2017	**4.41**	**6.65**	**11.06**
Additions	2.05	-	2.05
Disposals	-	-	-
Balance as at 31 March, 2018	**6.45**	**6.65**	**13.11**
Accumulated amortisation			
Charge for the Year	0.79	-	0.79
Disposals	0.00	-	-
Balance as at 31 March, 2017	**0.79**	**0.00**	**0.79**
Charge for the Year	0.53	0.63	1.16
Disposals	-	-	-
Balance as at 31 March, 2018	**1.32**	**0.63**	**1.95**
Net carrying amount			
As at 1 April, 2016	4.07	-	4.07
As at 31 March, 2017	3.62	6.65	10.27
As at 31 March, 2018	**5.13**	**6.02**	**11.15**

(Rs. in Million unless otherwise stated)

		As at 31st March 2018	As at 31st March 2017
NOTE 7 : OTHER FINANCIAL ASSETS			
(Unsecured, considered good)			
Security Deposits		3.84	4.52
Total		**3.84**	**4.52**
NOTE 8 : OTHER NON-CURRENT ASSETS			
(Unsecured, considered good)			
Capital Advances	[Refer Note: 38(1)(B)]	14.40	7.45
Amount Paid under Protest to Government department		0.26	0.26
Total		**14.66**	**7.71**
NOTE 9 : INVENTORIES			
(As valued and certified by the Management)			
Raw Materials and Packing Materials etc.		82.51	39.56
Work-in-progress		10.03	6.72
Finished Goods		33.26	36.32
Stock in Trade		0.00	7.29
Finished Plates & Design Dies		36.38	45.46
Stores and Spares		3.89	3.42
Total		**166.06**	**138.78**
NOTE 10 : TRADE RECEIVABLES			
(Unsecured, considered good unless otherwise stated)			
Trade Receivables		210.90	185.96
Receivables from Related Party		41.18	5.13
		252.09	191.09
Less: Provision for doubtful receivables		(3.80)	-
Total		**248.29**	**191.09**
Break Up of Trade receivables			
Secured, considered good		-	-
Unsecured, considered good		248.29	191.09
Doubtful		3.80	-
Total		252.09	191.09
Less: Provision for doubtful receivables		(3.80)	-
		248.29	**191.09**
NOTE 11 : CASH AND CASH EQUIVALENTS			
Balances With Banks			
In Current/Cash Credit Accounts		2.97	21.54
Cash in hand		11.15	2.43
Total		**14.12**	**23.97**
NOTE 12 : BANK BALANCES OTHER THAN NOTE 11 ABOVE			
Balances with Bank in Margin Money (Including Interest)		21.65	9.12
Total		**21.65**	**9.12**
NOTE 13 : OTHER FINANCIAL ASSETS			
(Unsecured, considered good)			
Security Deposits		1.35	0.17
Insurance claim receivable		0.00	8.15
Other Receivables		2.17	3.53
Total		**3.52**	**11.85**
NOTE 14 : OTHER CURRENT ASSETS			
(Unsecured, considered good unless otherwise stated)			
Balance with Government Authorities		15.09	14.86
Prepaid Expenses		1.76	0.79
Advance to Employees		3.76	4.19
Advances for materials and services		5.85	6.35
Less: Provision for doubtful advances		(1.00)	0.00
Total		**25.46**	**26.18**

(Rs. in Million unless otherwise stated)

		As at 31st March 2018	As at 31st March 2017

EQUITY AND LIABILITIES

NOTE 15 : EQUITY SHARE CAPITAL

AUTHORISED*			
10,000,000 (March 31, 2017: 10000000) Equity shares of Rs. 10/-each		100.00	100.00
		100.00	100.00
ISSUED, SUBSCRIBED AND PAID-UP			
8862000 (March 31, 2017: 8862000) Equity shares of Rs. 10/- each fully paid up		88.62	22.16
Add: Bonus Shares issued during the year (refer (d) below)		-	66.47
Total		**88.62**	**88.62**

*Authorised Share Capital of the Company is increased to Rs.210 divided into 21,000,000 equity shares of Rs.10 Each on 2nd June'18.

a) Reconciliation of equity shares		**No of Share**	**No of Share**
Balance as at the beginning of the year		8.86	2.22
Add: Shares issued during the year			
Bonus Issue (refer (d) below)		-	6.65
Balance as at the end of the year		8.86	8.86

b) Terms & Right of Equity shareholders

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each share holders. There is no restriction on distribution of dividend, however, the same is subject to the approval of the share holders in the Annual General Meeting except in the case of Interim Dividend.

c) Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

Mr. Sanjeev Sondhi		8.84	8.84
(In %)		99.80%	99.80%

d) Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date

The Company has allotted 6,646,500 fully paid up shares of face value Rs 10 each during the year ended 31st March 2017, pursuant to bonus issue approved by share holders in the Extra Ordinary general meeting held on 23rd Day of March 2017 and Company has allotted 3 bonus shares for every 1 shares held, on number of share 2,215,500.

e) Share holding pattern with respect of Holding or ultimate Holding company
The company doesn't have any Holding or ultimate Holding company.

NOTE 16 : OTHER EQUITY

	Refer Note		
Other Comprehensive Income	16(a)	1.11	0.89
Retained Earnings	16(b)	107.96	44.26
Total		**109.07**	**45.15**
(a) **Other Comprehensive Income**			
Remeasurement of Defined Benefit Plans			
As per last Financial statement		0.89	0.00
Add: During the year		0.22	0.89
Closing Balance		**1.11**	**0.89**
(b) **Retained Earnings**			
As per last Financial statement		44.26	86.70
Add : Profit during the year		63.70	24.02
Less: Bonus Issue		0.00	66.47
Closing Balance		107.96	44.26
Total		**109.07**	**45.15**

NOTE 17 : BORROWINGS

Term Loans (Secured)			
From Banks :			
Rupee loan			
Machinery Loans and Housing Loan [Refer Note (a)]		62.20	76.17
Vehicle Loans [Refer Note (a)]		6.02	-
From Others :			
Foreign Currency Loan			
ECB Loan [Refer Note (c)]		-	3.56
Rupee loan			
NBFCs [Refer Note (a)]		23.06	29.65
Buyer's Credit from NBFC [Refer Note (d)]		62.63	31.39
Term Loans (Unsecured) [Refer Note (b)]			
From Banks :			
Rupee loan		2.28	-
From Others :			
Rupee loan		7.92	2.38
Total Amount of Term Loans		**164.11**	**143.15**
Total Secured Borrowings		153.91	140.77
Total Unsecured Borrowings		10.20	2.38
Total		**164.11**	**143.15**

(Rs. in Million unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017

a) Repayment terms and nature of securities given for Indian Rupee Loans from Banks:

	Bank/NBFC	Nature	ROI	Nature of Securities	Repayment Term
i)	**Bank of India**	**Machinery Loans and Housing Loan**	11.40% p.a.	**Primary Security** 1. Hypothecation of all Plant & Machinery. 2. Equitable mortgage of Land & Building at Khasra No. 1017, 1019 & 1021 at Industrial Area, Camp Road, Selaqui, Dehradun (50% Constructed Portion) **Collateral Security** 3. Equitable mortgage of Land & Building at Khasra No. 1017, 1019 & 1021 at Industrial Area, Camp Road, Selaqui, Dehradun (50% Constructed Portion) 4. Equitable mortgage of residential property situated at Plot No.67, Block-B, Sector-55, Noida in the name of Shri Tilak Raj Sondhi (Director/Guarantor) 5. Equitable mortgage of residential property situated at 7th Floor, Plot No.12, Pavitra Apartments, CGHS Vasundhara Enclave, New Delhi 6. Hypothecation of related Plant & Machinery of which term loans are repaid. 7. TDR equivalent to surrender value of LIC policies in the name of Mr. Sanjeev Sindhi & Mrs. Poonam Sondhi	All Machinery term loans are repayable in 60 Monthly instalments and Housing loan in 216 monthly instalments starting from July'13 and last instalment due in Aug'21 for machinery loan and May'18 to April'36 for housing loan respectively.
ii)	**Bank of India**	**Vehicle Loans**	9.25% p.a.	Hypothecation of Related Vehicles together with spare tools	Repayable in 60 monthly instalments starting from Sept'17 and last instalment due in Aug'22
iii)	**ICICI Bank**	**Vehicle Loan**	9.50% p.a.	Hypothecation of Related Vehicles together with spare tools	Repayable in 36 equal monthly instalments starting from May'17 and last instalment due in Apr'20
iv)	**Hero Fincorp Limited**	**Equipment finance**	12.50% p.a.	Hypothecation of Related Equipments and Personal guarantee of Mr. Sanjeev Sondhi & Mrs. Poonam Sondhi	Repayable in 48 equal monthly instalments starting from October'16 and last instalment due in Sept'20
v)	**Tata Capital Financial Services Limitec**	**Equipment finance**	11.70% p.a.	Hypothecation of Related equipments and personal guarantee of Mr. Sanjeev Sondhi & Mrs. Poonam Sondhi	Repayable in 60 monthly instalments starting from March'17 and last instalment due in Feb'22
vi)	**Bank of India (Rokani & Sons)**	**Machinery Loans**	2.80% over and above bank's MCLR, at the time of Sanction interest rate was 12.10% p.a.	**Primary Security** 1. Hypothecation of related Plant & Machinery **Collateral Security** 2. Equitable mortgage of Leased factory at F-65 Selaqui Industrial Area, Dehradun 3. Equitable mortgage of freehold industrial land (three adjoining flats of 906.51 sqm. Each) situated at Khata Katohni No.105, (1394 Fasli to 1399 Fasli), Part of Khasra No.1019, Mauza Central Hope Town (Industrial Area, Selaqui), Pargana Pachwa Doon, Dehradun (Area 2719.53 sqm.) owned by M/s Zircon Technologies (India) Ltd.	Repayable in 60 Monthly instalments starting from Apr'17 and last instalment due in Aug'21
vii)	**Bank of India (Rokani & Sons)**	**Vehicle Loan**	0.60% over Bank's MCLR	Hypothecation of Related Vehicle	Repayable in 60 equal monthly instalments starting from Mar'18 and last instalment due in Feb'23.

b) Repayment terms of Unsecured Loans taken from Banks and NBFCs:

Bank/NBFC	Nature	ROI	No. of Monthly Instalment	Repayment Terms
Aditya Birla Finance Limited	Business Loan	17.50%	36	Starting from Jun'17 & last due on May'20
Capital First Limited	Business Loan	17.50%	24	Starting from Sep'16 & last due on Aug'18
		17.00%	24	Starting from Sep'16 & last due on Aug'18
Deutsche Bank	Business Loan	12.80%	36	Starting from Apr'17 & last due on Mar'20
Edelweiss Retail Finance Limited	Business Loan	17.50%	36	Starting from Jun'17 & last due on May'20
Fullerton India Credit Co. Ltd	Business Loan	16.50%	18	Starting from Feb'18 & last due on Jul'19
HDFC Bank Ltd	Business Loan	16.50%	24	Starting from May'17 & last due on Apr'19
Indusind Bank	Business Loan	17.50%	18	Starting from May'17 & last due on Oct'18
Kotak Mahindra Bank Ltd	Business Loan	16.50%	18	Starting from Apr'17 & last due on Sep'18
		16.50%	13	Starting from Jan'18 & last due on Jan'19
Magma Fincorp Limited	Business Loan	17.00%	24	Starting from Oct'16 & last due on Sep'18

c) Agreement has been entered for purchase of machine among company, vendor and its agent/distributor whereby ECB loan in form of Supplier's credit has been provided by the vendor which is repayable in 11 half-yearly instalments starting from May'13 and last instalment due in May'18. During the period of

(Rs. in Million unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017

repayment, distributor/ agent appointed by the vendor shall be granted a continuing security interest and a lien upon the equipment & the proceeds thereof, as security till all of the obligations to the seller & distributor have been met.

d) Equipment finance facility has been availed from "Tata Capital Financial Services Limited" for purchase of Machines. Initially purchase was made against LC and Buyers Credit shall be opened on the due date of LC Payment. During the Buyers Credit period the borrower shall pay the equal monthly instalment towards the principal after initial moratorium period of 12 months from the disbursal/LC Opening date (whichever is earlier). Buyers credit facility shall be maximum of 3 years with the option to revolve every year. If the option of rollover of buyer credit is not exercised, the outstanding balance shall be treated as term loan. Total Tenure from date of opening of LC to the date of last date of instalment is 72 Months. Rate of Interest is 6.40% less than Long term Lending Rate subject to minimum of 11.35% p.a. Total Facility Amounts to Rs. 123.84. The Facility is secured by hypothecation of machinery purchased and irrevocable & Unconditional personal Guarantee of Mr. Sanjeev Sondhi and Mrs. Poonam Sondhi.

NOTE 18 : TRADE PAYABLES

		As at 31st March 2018	As at 31st March 2017
Trade Payables for goods and services			
- Total outstanding dues of Micro, Small and Medium enterprises	[Refer note:38(3)]	-	-
- Total outstanding dues of others		147.33	133.05
Total		**147.33**	**133.05**

Company has received a special credit facility from one of its supplier on 1st April'2016 for Rs. 170 which is repayable over a period of 4 years in according to terms of agreement. Such financial liability is remeasured as per applicable IND AS and income arising out of such remeasurement of financial liability has been charged to statement of profit or loss in the year of facility received and further such financial liability is remeasured at each financial year end and is charged to statement to profit or loss. Same facility has been received in subsidiary partnership firm for Rs. 25 as on 1st April'2017.

NOTE 19 : OTHER FINANCIAL LIABILITIES

	As at 31st March 2018	As at 31st March 2017
Liability for Capital Goods (Refer note below)	49.09	48.61
Total	**49.09**	**48.61**

Equipment finance facility has been availed from "Tata Capital Financial Services Limited" for purchase of Machines. Initially purchase was made against LC and Buyers Credit shall be opened on the due date of LC Payment. During the Buyers Credit period the borrower shall pay the equal monthly instalment towards the principal after initial moratorium period of 12 months from the disbursal/LC Opening date (whichever is earlier). Buyers credit facility shall be maximum of 3 years with the option to revolve every year. If the option of rollover of buyer credit is not exercised, the outstanding balance shall be treated as term loan. Total Tenure from date of opening of LC to the date of last date of instalment is 72 Months. Rate of Interest is 6.40% less than Long term Lending Rate subject to minimum of 11.35% p.a. Total Facility Amounts to Rs. 123.84. The Facility is secured by hypothecation of machinery purchased and irrevocable & Unconditional personal Guarantee of Mr. Sanjeev Sondhi and Mrs. Poonam Sondhi.

NOTE 20 : OTHER NON CURRENT LIABILITIES

	As at 31st March 2018	As at 31st March 2017
Deferred Revenue on Government Grant (Refer note below)	65.63	65.82
Liability for Rent Equalisation A/c	0.55	0.36
Total	**66.18**	**66.18**

Deferred Revenue on Government grants includes Rs. 63.86 duty saved on import of capital goods relating to property, plant and equipment under Export Promotion Capital Goods Scheme (EPCG). Under such scheme, company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, company would be required to pay the duty saved along with interest to the regularity authorities.

In case of 3 expired licenses, company has filed application for extension of two years to fulfil export obligation which can further be extended for two more years.

NOTE 21 : PROVISIONS

		As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits			
- Gratuity	[Refer note : 38(11)]	0.54	0.39
- Leave Encashment		0.32	0.27
Total		**0.86**	**0.66**

NOTE 22 : DEFERRED TAX ASSETS (NET)

		As at 31st March 2018	As at 31st March 2017
Deferred Tax Liabilities			
Difference in WDV as per Income Tax and Companies Act		45.03	19.44
Remeasurement of financial liability		0.00	12.79
Remeasurement of defined benefit obligations		0.59	0.47
	A	**45.62**	**32.70**
Deferred Tax Assets			
Arising on account of timing differences in accrued expenses		1.93	0.24
Government grant - deferred income		22.10	22.10
Remeasurement of financial liability		3.21	0.00
Timing difference on elimination on consolidation		1.90	0.00
Tax Credit Entitlement		40.45	29.37
	B	**69.59**	**51.71**
Deferred Tax (Liability) /Assets (Net)	**(B-A)**	**23.98**	**19.01**

(Rs. in Million unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017

Movement in deferred tax assets and liabilities during the year ended 31st March, 2017 and 31st March, 2018

	As at 1st April, 2016	Recognized in Statement of Profit & Loss	Recognized in Other Comprehensive Income	As at 31 March, 2017
Deferred Tax Liabilities				
Difference in WDV as per Income Tax and Companies Act	18.03	1.42		19.44
Remeasurement of financial liability	-	12.79		12.79
Remeasurement of defined benefit obligations	-		0.47	0.47
Deferred Tax Assets				
Arising on account of timing differences in accrued expenses	0.68	(0.44)		0.24
Government grant - deferred income	22.10	-		22.10
Remeasurement of financial liability	-	-		-
	4.76	**(14.65)**	**(0.47)**	**(10.36)**

	As at 1st April, 2017	Recognized in Statement of Profit & Loss	Recognized in Other Comprehensive Income	As at 31 March, 2018
Deferred Tax Liabilities				
Difference in WDV as per Income Tax and Companies Act	19.44	25.58		45.03
Remeasurement of financial liability	12.79	(12.79)		-
Remeasurement of defined benefit obligations	0.47		0.12	0.59
Deferred Tax Assets				
Arising on account of timing differences in accrued expenses	0.24	1.69		1.93
Government grant - deferred income	22.10	-		22.10
Remeasurement of financial liability	-	3.21		3.21
Deferred tax on unrealised profit/(loss)	-	1.90		1.90
	(10.36)	**(6.00)**	**(0.12)**	**(16.48)**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

NOTE 23 : BORROWINGS

	As at 31st March 2018	As at 31st March 2017
From Banks (Secured)		
Rupee Loan		
Working Capital Loan (Refer (a) & (b) below)	190.18	174.55
From Banks (Unsecured)		
Rupee Loan		
Working Capital Loan (Refer (c) below)	49.86	111.12
Loan from Director	-	4.50
Total	**240.04**	**290.17**

Repayment terms and nature of securities given for Indian Rupee Loans from Banks:

	Bank	Nature	ROI	Nature of Securities	Repayment Term
(a)	**Bank of India**	**CC Limit**	11.40% p.a.	**Primary Security** 1. Hypothecation of Stock and Book debts **Collateral Security** 2. Equitable mortgage of Land & Building at Khasra No. 1017, 1019 & 1021 at Industrial Area, Camp Road, Selaqui, Dehradun (50% Constructed Portion) 3. Equitable mortgage of residential property situated at Plot No.67, Block-B, Sector-55, Noida in the name of Shri Tilak Raj Sondhi (Director/Guarantor) 4. Equitable mortgage of residential property situated at 7th Floor, Plot No.12, Pavitra Apartments, CGHS Vasundhara Enclave, New Delhi 5. Hypothecation of related Plant & Machinery of which term loans are repaid. 6. TDR equivalent to surrender value of LIC policies in the name of Mr. Sanjeev Sindhi & Mrs. Poonam Sondhi	Repayable on demand
(b)	**Bank of India (Rokani & Sons)**	**CC Limit**	2.80% over and above bank's MCLR, at the time of Sanction interest rate was 12.10% p.a.	**Primary Security** 1. Hypothecation of Stock and Book debts **Collateral Security** 2. Equitable mortgage of Leased factory at F-65 Selaqui Industrial Area, Dehradun 3. Equitable mortgage of freehold industrial land (three adjoining flats of 906.51 sqm. Each) situated at Khata Katohni No.105, (1394 Fasli to 1399 Fasli), Part of Khasra No.1019, Mauza Central Hope Town (Industrial Area, Selaqui), Pargana Pachwa Doon, Dehradun (Area 2719.53 sqm.) owned by M/s Zircon Technologies (India) Ltd.	Repayable on demand
(c)	**Yes Bank**	**Channel Finance Loan**	1.55% over and above bank's MCLR	Unconditional and irrevocable personal guarantee of Mr. Sanjeev Sondhi, Mrs. Poonam Sondhi and Mr. Tilak Raj Sondhi.	If not demanded by bank earlier loan shall be Repayable within a period of 40 days.

(Rs. in Million unless otherwise stated)

		As at 31st March 2018	As at 31st March 2017
NOTE 24 : TRADE PAYABLES			
Trade Payables for goods and services			
- Total outstanding dues of Micro, Small and Medium enterprises	[Refer note:38(3)]	-	-
- Total outstanding dues of others		139.82	42.58
Total		**139.82**	**42.58**
NOTE 25 : OTHER FINANCIAL LIABILITIES			
Current maturities of Long Term Borrowings		83.21	62.42
Employee related Liabilities		4.25	4.28
Liability for Capital Goods		5.14	8.98
Interest accrued but not due on Borrowings		0.78	0.00
Expenses Payable		3.11	0.62
Other payables		2.00	2.00
Total		**98.49**	**78.30**
NOTE 26 : OTHER CURRENT LIABILITIES			
Advances Received from Customers		1.05	0.19
Statutory Dues		10.89	10.01
Total		**11.94**	**10.20**
NOTE 27 : PROVISIONS			
Provision for Employee Benefits			
- Gratuity	[Refer note : 38(11)]	0.00	0.01
- Leave Encashment		0.09	0.03
Total		**0.09**	**0.04**
NOTE 28 : CURRENT TAX LIABILITIES (NET)			
Provision for Income Tax		11.61	9.23
Total		**11.61**	**9.23**

(Rs. in Million unless otherwise stated)

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
INCOME		
NOTE 29 : REVENUE FROM OPERATIONS (GROSS)		
Sale of Products	959.65	944.71
(Includes Export Sale Rs. 39.51 P.Y. Rs. 28.34)		
	959.65	944.71
Other Operating Revenues		
Plate development charges	0.04	0.58
Royalty	0.00	0.62
	0.00	
	0.04	1.21
	959.69	**945.92**
NOTE 30 : OTHER INCOME		
Interest Received (Gross)		
On Fixed Deposits/ Margin Money	1.97	1.62
Others	0.07	0.00
Other Non Operating Income		
Other receipts	0.37	0.25
Insurance claim	0.00	1.01
Exchange Fluctuations (Net)		0.08
Government Grant	0.19	0.21
Gain/Loss on unfolding of Security Deposit	0.12	0.10
Gain on Remeasurement of Financial Liability	0.00	36.95
	2.71	**40.22**
EXPENSES:		
NOTE 31 : COST OF MATERIALS CONSUMED		
Opening Stock (Refer Note below)	39.56	72.46
Add: Purchases	621.38	583.61
	660.94	656.07
Less: Closing Stock	82.51	39.56
	578.43	**616.51**

Note - Rokani & Sons, Subsidiary partnership firm has been consolidated from beginning of the year, therefore opening stock for financial year 2016-17 will include stock of Rokani & Sons as well.

NOTE 32 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Inventories at the beginning of the year		
Work-in-progress	6.72	3.57
Finished Goods	36.32	30.64
Stock in Trade	7.29	1.34
	50.33	35.55
Inventories at the end of the Year		
Work-in-progress	10.03	6.72
Finished Goods	33.26	36.32
Stock in Trade	0.00	7.29
	43.29	50.33
(Increase)/Decrease	**7.05**	**(14.78)**
NOTE 33 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	56.04	41.51
Contribution to Provident and Other Funds	0.32	0.20
Staff Welfare Expenses	1.54	1.41
Total	**57.90**	**43.11**
NOTE 34 : FINANCE COSTS		
Interest	55.53	47.60
Loss on Remeasurement of Financial Liability	9.28	0.00
Other borrowing cost	2.71	1.55
Total	**67.52**	**49.16**

(Rs. in Million unless otherwise stated)

		For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
NOTE 35 : DEPRECIATION AND AMORTISATION EXPENSE			
On Tangible Assets		21.87	47.03
On Intangible Assets		1.16	0.79
Total		**23.03**	**47.82**
NOTE 36 : OTHER EXPENSES			
Consumption of Die, Plate, Stores and Spare parts		39.19	18.33
Manufacturing Expenses		24.83	25.64
Power & Fuel		22.08	19.37
Rent		6.84	6.92
Repairs to Buildings		1.90	1.85
Repairs to Plant & Equipment		4.29	4.61
Repairs to Others Assets		2.18	4.59
Insurance		2.35	1.97
Rates & Taxes		1.54	2.53
Selling & Distribution Expenses		3.58	10.85
Watch and ward		2.89	3.01
Payment to Auditors	[Refer Note: 38(10)]	0.59	0.26
Bad debts Write off		0.12	0.00
Provision for doubtful Debts and advances		4.80	0.00
Legal, Consultancy & Professional Charges		2.20	1.61
Travelling and Conveyance Expenses		3.31	5.60
Travelling and Conveyance Expenses Foreign		0.33	0.60
Vehicle Running and Maintenance		1.90	1.93
Postage & Courier		1.15	1.03
Communication Expenses		1.55	1.27
Freight and Cartage Outward		4.13	5.51
Exchange Fluctuations (Net)		1.69	0.00
Loss on Sale of Property, Plant & Equipment (Net)		0.81	2.11
Miscellaneous Expenses		4.40	5.30
Total		**138.63**	**124.91**
NOTE 37 : TAX EXPENSE			
Current Tax		12.20	9.64
Deferred Tax		6.00	14.65
		18.20	**24.29**

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1 A. Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent liabilities not provided in respect of		
(i) Guarantees issued by bankers on behalf of Company to Government Departments	4.50	4.42
(ii) Demand for Sales Tax under appeal with Department/Tribunal/ Courts and show cause notice etc. (Deposit Under Protest- Rs. 0.26) (Excluding interest and Penalty)	1.83	0.66
For FY 2012-13, company has been assessed with ex-party assessment with demand of Rs. 71.20 against which appeal filed by company has been accepted by department on 31-07-2018 for re-assessment. Further communication from department is awaited.		
(iii) TDS liability on traces	0.46	0.52
(iv) Income tax demand notice under section 245 of Income Tax Act'1961 relating to FY 2005-08 and 09-10 (Excluding Interest & Penalty)	1.25	1.25
(v) Liability with respect to duty saved on Export Promotion on Capital Goods (EPCG) licenses (Bond has been issued by the company against these licenses in the name of "the Government" amount to Rs. 185.86)		
a. Interest with respect to License expired in financial year 14-15 for which two extensions each of two years has been filed by the company in current financial year which is beyond the time limit prescribed under foreign trade policy. Duty saved is Rs. 5.15 (Interest calculated on proportionate export obligation not fulfilled @18% p.a.)	4.35	-
b. Duty saved on three licenses expired before balance sheet (excluding interest) for which extension has been filed	24.38	-
c. Duty saved on four licenses	39.47	69.01

B. Capital commitments:

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contract remaining to be executed on Capital Account and not provided for (net of Advances)	6.25	1.28

2. Assets Mortgage and/or pledged as security
The carrying amount of assets Mortgage and/or pledged as security for current and non-current borrowings are :

Particulars	As at March 31, 2018	As at March 31, 2017
Current:		
Financial assets		
Trade Receivables	248.29	191.09
Inventories	166.06	138.78
Margin Money pledged with banks	21.65	9.12
Total current assets Mortgage and/or pledged as security	**436.01**	**338.98**
Non-current:		
Land	22.22	22.22
Vehicles	13.98	1.31
Buildings	42.67	23.88
Plant & Machinery	493.84	430.30
Total non-currents assets Mortgage and/or pledged as security	**572.70**	**477.71**
Total assets Mortgage and/or pledged as security	**1,008.71**	**816.69**

3 . Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. As confirmed by the Management, there is no amount due to suppliers registered under MSMED Act.

4. LEASES
Disclosures for operating leases
i)The Company has entered into cancellable operating leases and transactions for leasing of Factory Building, office space, Godown etc. The tenure of lease generally, vary between one to five years. Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

Lease Expenditure recognised in the Consolidated Summary Statement of Profit and Loss	For the year ended March 31	
	2018	2017
As a lessee (Expenses)		
Factory Building, Godown, Office Space, Service Centre & Transit House	6.84	6.92

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5. Earnings per share

Particulars	As at March 31, 2018	As at March 31, 2017
Net Profit/(Loss) After Tax for the year	63.70	24.02
No. of Shares outstanding as at and year ended	8.86	8.86
Weighted average Number of Equity Shares for computing **Basic** Earnings per share*	14.77	14.77
Weighted average Number of Equity Shares for computing **Diluted** Earnings per share*	14.77	14.77
Face value of per share	10.00	10.00
-Basic EPS	**4.31**	**1.63**
-Diluted EPS	**4.31**	**1.63**

*Company has issued 66,46,500 Bonus Shares on 31-03-2017 and 59,08,000 Bonus Shares on 12-08-2018 which has been considered for calculation of Basic and Diluted EPS for the all the years reported.

6. The following table shows foreign currency exposures on financial instruments at the end/beginning of respective years.

Particulars	Currency	As at March 31,					
		2018			2017		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Term Loan	In USD	0.06	-	0.06	0.19	-	0.19
	In INR	4.21	-	4.21	12.57	-	12.57
Buyers' credit	In USD	0.63	-	0.63	0.00	-	0.00
	In INR	40.72	-	40.72	0.00	-	0.00
	In EURO	0.46	-	0.46	0.55	-	0.55
	In INR	36.83	-	36.83	37.79	-	37.79
Creditors	In USD	0.80	-	0.80	0.79	-	0.79
	In INR	51.86	-	51.86	51.33	-	51.33
	In EURO	0.01	-	0.01	0.01	-	0.01
	In INR	0.59	-	0.59	0.88	-	0.88
Debtors	In USD	0.00	-	0.00	0.01	-	0.01
	In INR	0.19	-	0.19	0.78	-	0.78

7. Fair value of Financial assets & Financial liabilities (current & non current)
(A) Financial Instrument by Category

Particulars	As at March 31,					
	2018			2017		
	Fair Value through Profit & Loss (FVTPL)	Fair Value through OCI (FVTOCI)	Amortised Cost	Fair Value through Profit & Loss (FVTPL)	Fair Value through OCI (FVTOCI)	Amortised Cost
Non Current Financial Asset						
Other(Security deposits)			3.84			4.52
Current Financial Asset						
Trade Receivables			248.29			191.09
Cash and Cash Equivalents			14.12			23.97
Bank balances other than above			21.65			9.12
Others			3.52			11.85
Total of Financial Assets	-	-	**291.42**	**-**	**-**	**240.55**
Non Current Financial Liabilities						
Borrowings			164.11			143.15
Trade payables			147.33			133.05
Others			49.09			48.61
Current Financial Liabilities						
Borrowings			240.04			290.17
Trade Payables			139.82			42.58
Current maturities of Long Term Debts			83.21			62.42
Employee Related Liabilities			4.25			4.28
Liability for capital goods			5.14			8.98
Interest accrued but not due on Borrowings			0.78			0.00
Expenses Payable			3.11			0.62
Other Payables			2.00			2.00
Financial Liabilities	**-**	**-**	**833.77**	**-**	**-**	**733.24**

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Fair Value Hierarchy
B)Financial Assets and liabilities measured at fair value – recurring fair value measurements (Sector wise Disclosure)

Particular	31.03.18			31.03.17		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets (FVTPL)						
Security Deposit	NA	NA	NA	NA	NA	NA
Financial Liabilities (FVTPL)						
Trade payable Non Current	NA	NA	NA	NA	NA	NA

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.
There are no transfers between levels 1 and 2 during the year.

Valuation technique used to determine fair value:
Specific valuation techniques used to value financial instruments include:
-the use of quoted market prices or dealer quotes for similar instruments
-the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
-the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
-All of the resulting fair value estimates are included in level 2

Valuation processes
1. The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).
2. Discussions of valuation processes and results are held between the CFO and the valuation team yearly.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

C)Fair Value of Financial Assets & Liabilities measured at amortized cost

Particulars	As at March 31,2018		As at March 31,2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non Current Financial Asset				
Others(Security Deposit)	4.28	3.84	5.08	4.52
Current Financial Asset				
Trade Receivables	248.29	248.29	191.09	191.09
Cash and Cash Equivalents	14.12	14.12	23.97	23.97
Bank balances other than Cash & Cash Equivalent	21.65	21.65	9.12	9.12
Others	3.52	3.52	11.85	11.85
Total of Financial Assets	**291.86**	**291.42**	**241.11**	**240.55**
Non Current Financial Liabilities				
Borrowings	164.11	164.11	143.15	143.15
Trade payables	169.11	147.33	170.00	133.05
Others	49.09	49.09	48.61	48.61
Current Financial Liabilities				
Borrowings	240.04	240.04	290.17	290.17
Trade Payables	139.82	139.82	42.58	42.58
Current maturities of Long Term Debts	83.21	83.21	62.42	62.42
Employee Related Liability	4.25	4.25	4.28	4.28
Liability for capital goods	5.14	5.14	8.98	8.98
Interest accrued but not due on Borrowings	0.78	0.78	0.00	0.00
Expenses Payable	3.11	3.11	0.62	0.62
Other Payables	2.00	2.00	2.00	2.00
Financial Liabilities	**860.67**	**838.89**	**772.81**	**735.86**

- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values except for the non current trade payables & security deposits.

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8. SUMMARY STATEMENT OF CONSOLIDATED FINANCIAL RISK MANAGEMENT

The company's activities expose it to market risk, liquidity risk, credit risk and price risk. In order to minimize any adverse effects on the financial.

Risk	Exposure	Measurement	Management Actions
A) Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing Analysis	Diversification of bank deposits, credit limits and letter of credit
B) Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed credit lines and borrowing facilities
C) Market Risk			
- Forex	Future commercial transactions	Sensitivity analysis	Forward foreign exchange contracts
- Interest Rates	Long term borrowings at variable rates	Sensitivity analysis	Interest rate
D) Price Risk	Investment in equity and debt instrument	NA	

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash & cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market, credit and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

A) Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers .
The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

Most of the Company's customers have been transacting with the Company for over four years, and no significant impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of loss allowances of trade receivables is Rs. 248.29 (31 March 2017 – Rs. 191.09).

Ageing of trade receivables are as under:-

Particulars	Less than 6 Months	6-12 Months	More than 12 Months	Total
As at 31st March'2018	241.19	3.70	3.41	**248.29**
As at 31st March'2017	172.39	4.58	14.13	**191.09**

The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

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Reconciliation of loss allowance provision – Trade receivables

	As at 31st March'2018	As at 31st March'2017
Opening balances	-	-
Addition during the year	3.80	-
Closing balance	**3.80**	-

Reconciliation of loss allowance provision – Advances

	As at 31st March'2018	As at 31st March'2017
Opening balances	-	-
Addition during the year	1.00	-
Closing balance	**1.00**	-

B) Liquidity Risk

1. The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.
2. The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

Maturities of financial liabilities

As on 31.03.2018

Financial Liabilities	Less than 1 Year	1 - 3 years	3 - 5 years	Above 5 years	Total
Short term borrowings	240.04	0.00	0.00	0.00	240.04
Trade Payables	205.20	81.95	0.00	0.00	287.15
Long Term Borrowings including Current Maturities	83.21	124.57	33.60	5.94	247.32
Other Financial Liabilities	26.47	7.58	15.16	15.16	64.37

As on 31.03.2017

Financial Liabilities	Less than 1 Year	1 - 3 years	3 - 5 years	Above 5 years	Total
Short term borrowings	290.17	0.00	0.00	0.00	290.17
Trade Payables	28.30	147.33	0.00	0.00	175.63
Long Term Borrowings including Current Maturities	62.42	97.63	45.52	0.00	205.57
Other Financial Liabilities	21.92	41.81	0.76	0.00	64.49

C) Market Risk Management

I. Foreign Currency Risk

1. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company's board of directors reviews the currency rates in volatile foreign exchange markets on regularly basis to ensure the foreign currency exposure are in prescribed limit .

(a) Foreign currency risk exposure

Particulars	As at March 31,2018		As at March 31,2017	
	USD	EURO	USD	EURO
Financial Assets	0.19	0.00	0.78	0.00
Financial Liabilities	96.80	37.43	63.90	38.67
Net Exposure	**96.61**	**37.43**	**63.13**	**38.67**

(b) Sensitivity

Particulars	Sensitivity	Impact on PAT (Rs.)	
		March 31,2018	March 31,2017
USD Sensitivity (Increase)	0.09	5.69	3.72
USD Sensitivity (Decrease)	0.09	(5.69)	(3.72)
EURO Sensitivity (Increase)	0.04	0.98	1.01
EURO Sensitivity (Decrease)	0.04	(0.98)	(1.01)

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(c) Sensitivity

Particulars	Sensitivity	Impact on Other Equity (Rs.)	
		March 31,2018	March 31,2017
USD Sensitivity (Increase)	0.09	5.69	3.72
USD Sensitivity (Decrease)	0.09	(5.69)	(3.72)
EURO Sensitivity (Increase)	0.04	0.98	1.01
EURO Sensitivity (Decrease)	0.04	(0.98)	(1.01)

II. Cash flow and Interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow and interest rate risk. The group's borrowings at variable rate were mainly denominated in INR.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a) Interest rate risk exposure

Particulars	March 31,2018	March 31,2017
Variable Rate borrowings	240.04	290.17
Fixed Rate Borrowings	247.32	205.57

b) Sensitivity Analysis

Particulars	Impact on PAT	
	March 31,2018	March 31,2017
Interest Rate – increase by 50 basis points	0.78	0.95
Interest Rate – decrease by 50 basis points	(0.78)	(0.95)

Particulars	Impact on Equity	
	March 31,2018	March 31,2017
Interest Rate – increase by 50 basis points	0.78	0.95
Interest Rate – decrease by 50 basis points	(0.78)	(0.95)

III) Price Risk

The entity do not have any investment in quoted securities or other equity instruments except for investment in group entities. Thus, the company is not exposed to any price risk.

9. CAPITAL MANAGEMENT

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	31.03.2018	31.03.2017
Net Debt	473.24	471.77
Total Equity	197.92	133.89
Debt Equity Ratio	2.39	3.52

10. PAYMENT TO AUDITORS:

Particulars	For the year ended March 31	
	2018	2017
Audit Fees	0.37	0.12
Tax Audit Fees	0.10	0.05
Out of pocket expenses	0.01	0.01
Certification fees	0.10	0.08
Total*	**0.59**	**0.26**

***** includes payment to previous auditor amounting to Rs. 0.04 in financial year 2018

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11. EMPLOYEE BENEFITS
Defined Contribution Plan
a) Provident Fund & Other Funds : A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

Particulars	For the year ended March 31	
	2018	2017
Contribution towards Provident Fund & other Funds	0.32	0.20

Defined Benefits Plan
Gratuity: The liability in respect of defined benefit plans includes Gratuity liability as per the provisions of the Payment of Gratuity Act, 1972 which is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees" services. The company's obligation includes actuarial risk and investment risk. Actuarial gains and losses in respect of post-employment are charged to the Profit and Loss Statement.

Assumptions

Particulars	Gratuity	
	2017-2018	2016-2017
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Salary Growth Rate	5% p.a.	5% p.a.
Discount rate - Zircon Technologies (India) Limited	7.50% p.a.	7.5% p.a.
Discount rate - Rokani & Sons	7.75% p.a.	7.75% p.a.
Withdrawal rate (Per Annum) - Zircon Technologies (India) Limited	21% p.a.	7% p.a.
Withdrawal rate (Per Annum) - Rokani & Sons	5% p.a.	5% p.a.

Change in Net Defined Benefit Obligation

Particulars	2017-2018	2016-2017
Liability at the beginning of the year	0.46	1.44
Interest Costs	0.03	0.11
Current Service Costs	0.38	0.33
Past Service Cost	0.00	0.00
Benefits paid	0.00	(0.05)
Actuarial (Gain)/Loss on obligations due to change in Obligation	(0.34)	(1.37)
Liability at the end of the year	**0.54**	**0.40**

Net interest Cost

Particulars	For the year ended March 31	
	2018	2017
Interest Cost	0.03	0.11
Total	**0.03**	**0.11**

Service Cost

Particulars	For the year ended March 31	
	2018	2017
Current Service Cost	0.38	0.33
Total	**0.38**	**0.33**

Actuarial (Gain)/Loss on obligation

Particulars	For the year ended March 31	
	2018	2017
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.07)	0.03
Actuarial (Gain)/Loss on arising from Experience Adjustment	(0.27)	(1.39)

Balance sheet and related analysis

Particulars	As at March 31,	
	2018	2017
Present Value of the obligation at end	0.54	0.40
Unfunded Liability/provision in Balance Sheet	(0.54)	(0.40)
Unfunded Liability recognised in Balance Sheet	**(0.54)**	**(0.40)**

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Amount recognised in Statement of Profit and Loss

Particulars	For the year ended March 31	
	2018	2017
Service Cost	0.38	0.33
Net Interest Cost	0.03	0.11
Expense recognised in statement of profit and loss	**0.41**	**0.44**

Other Comprehensive Income (OCI)

Particulars	For the year ended March 31	
	2018	2017
Actuarial Gain or (Loss) for the year on PBO	0.34	1.37
Unrecognized actuarial gain/(loss) at the end of the year	**0.34**	**1.37**

Expected contribution for the next Annual reporting period

Particulars	For the year ended March 31	
	2018	2017
Service Cost	0.64	0.61
Net Interest Cost	0.00	0.00
Expected Expense for the next annual reporting period	**0.64**	**0.61**

Sensitivity Analysis

Particulars	March 31,2018	March 31,2017
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	0.54	0.46
Impact due to increase of 1.00 %	(0.03)	(0.04)
Impact due to decrease of 1.00 %	0.03	0.05
b) Impact of the change in salary increase	0.00	0.00
Present Value of Obligation at the end of the period	0.54	0.46
Impact due to increase of 1.00 %	0.03	0.05
Impact due to decrease of 1.00 %	(0.03)	(0.04)
c) Impact of the change in withdrawal Rate		
Present Value of Obligation at the end of the period	0.54	0.46
Impact due to increase of 1.00 %	(0.02)	(0.00)
Impact due to decrease of 1.00 %	0.02	0.00

- Significant actuarial assumption for the determination of defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible.

Maturity Profile of Defined Benefit Obligation **(Rs. in thousands unless otherwise stated)**

2017-18		2016-17	
Year	Amount	Year	Amount
Apr 2018- Mar 2019	0.00	Apr 2017- March 2018	0.01
Apr 2019- Mar 2020	0.00	Apr 2018- March 2019	0.01
Apr 2020- Mar 2021	0.01	Apr 2019- March 2020	0.02
Apr 2021- Mar 2022	0.22	Apr 2020- March 2021	0.02
Apr 2022- Mar 2023	0.24	Apr 2021- March 2022	0.05
Apr 2023 onwards	0.82	Apr 2022 onwards	0.64

Description of Risk Exposure:
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:
A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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12. Transition to Ind AS
12.1 Basis for Preparation

For all period up to and including the year ended 31st March, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

12.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain IND AS, effective for 1st April, 2016 opening balance sheet. In preparing these Consolidated financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

12.2.1 Optional Exemptions Availed
a. Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Standard has not been applied to acquisitions of subsidiaries, which are considered businesses for Ind AS, or of interests in associates that occurred before the transition date i.e., 1st April, 2016.

b. Property Plant and Equipment, Intangible Assets

As permitted by para D5-D8B of Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets.

c. Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transitional provision and has assessed all the arrangements at the date of transition.

d. Investments in Subsidiary

As permitted by para D14 & D15 of Ind AS 101, the Company has elected to measure the investment in subsidiary at Deemed Cost calculated at the previous GAAP carrying amount, as the company has elected to measure such investments at Cost under Ind AS 27 "Separate Financial Statements".

12.2.2 Mandatory Exceptions

a. Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period. The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below :

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.

b. De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c. Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

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12.3 Transition to Ind AS - Reconciliations
The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101 :
1. Reconciliation of material items of Balance sheet as at 31st March, 2017
2. Reconciliation of Statement of Profit & Loss for the year ended 31st March, 2017
3. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017
4. Adjustments to Statement of Cash Flows
The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP

As on 31st March'2017

	Particular	Indian GAAP	Reclassification	Adjustments	Ind AS	Restatement Adjustment	Restated IND AS
A	**Non-current Assets**						
	(a) Property Plant and Equipment	517.34	(0.00)	(21.41)	495.93	(2.52)	493.41
	(b) Capital work-in-progress	20.14	0.00		20.14		20.14
	(c) Goodwill	0.00	6.65		6.65		6.65
	(d) Intangible assets	10.27	(6.65)		3.62		3.62
	(e) Financial Assets						
	(i) Loans & advances	13.58	(13.58)				0.00
	(ii) Others Financial Assets	0.00	4.52		4.52		4.52
	(f) Deferred tax assets (net)	(3.69)	28.34	(5.65)	19.01		19.01
	(g) Other non-current assets	3.26	9.22	(4.77)	**7.71**		7.71
	Total	**560.90**	**28.50**	**(31.82)**	**557.58**	**(2.52)**	**555.06**
B	**Current Assets**						
	(a) Inventories	116.13	(0.00)		116.13	22.64	138.78
	(b) Financial Assets						
	(i) Investments	0.00	0.00				
	(ii) Trade receivables	223.74	(0.05)		223.69	(32.60)	191.09
	(iii) Cash and cash equivalents	29.79	(5.82)		23.97		23.97
	(iv) Bank Balances Other than (iii) above		9.12		9.12		9.12
	(v) Loans & advances	81.15	(81.15)				
	(vi) Others Financial Assets		11.85		11.85		11.85
	(c) Other Current Assets	13.36	15.46		28.82	(2.63)	26.18
	Total	**464.17**	**(50.59)**	**0.00**	**413.58**	**(12.59)**	**400.99**
	TOTAL	**1,025.07**	**(22.08)**	**(31.82)**	**971.17**	**(15.12)**	**956.05**
A	**Equity**						
	(a) Equity Share Capital	88.62	0.00		88.62		88.62
	(b) Other Equity	125.49	0.00	(65.61)	59.87	(14.73)	45.15
	(b) Non-controlling interests	0.13	0.00		0.13		0.12
	Total	**214.23**	**0.00**	**(65.61)**	**148.62**	**(14.73)**	**133.89**
B	**Non-current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	253.59	(110.44)		143.15		143.15
	(ii) Trade Payables		170.00	(36.95)	133.05		133.05
	(iii) Other Financial Liabilities		48.61		48.61		48.61
	(b) Provisions	0.70	(0.04)		0.66		0.66
	(c) Other long term liability	269.81	(269.81)	66.18	66.18		66.18
	Total	**524.09**	**(161.67)**	**29.23**	**391.65**	**0.00**	**391.65**
C	**Current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	174.55	115.62		290.17		290.17
	(ii) Trade payables						
	Total outstanding dues of creditors other than micro and small enterprises	34.01	11.09		45.10	(2.52)	42.58
	(iii) Other financial liabilities		78.23		78.23	0.07	78.30
	(b) Other current liabilities	50.69	(43.10)	2.05	9.64	0.56	10.20
	(c) Provisions	27.50	(27.46)		0.04		0.04
	(d) Current Tax Liabilities	0.00	5.21	2.51	7.72	1.51	9.23
	Total	**286.75**	**139.59**	**4.56**	**430.90**	**(0.38)**	**430.52**
	TOTAL	**1,025.07**	**(22.08)**	**(31.82)**	**971.17**	**(15.12)**	**956.05**

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SUMMARY STATEMENT OF CONSOLIDATED RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31' 2017

	Particulars	Notes	For the year ended March 31						
			2017 I GAAP	**Adjustments of errors**	**Ind AS Adjustments**	**Classification Difference**	**2017 IND AS**	**Restatement Adjustment**	**Restated IND AS 2017**
1	**INCOME :**								
	Revenue from Operations	**29**	874.94		0.00	73.96	948.90	(2.98)	945.92
	Other Income	**30**	12.28	(5.74)	37.26	1.08	44.87	(4.65)	40.22
	Total Income		**887.22**	**(5.74)**	**37.26**	**75.04**	**993.77**	**(7.63)**	**986.14**
2	**EXPENSES :**								
	Cost of Materials Consumed	**31**	594.15		0.00	(18.62)	575.53	1.74	616.51
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	**32**	17.11		**0.00**	9.89	27.00	(2.54)	(14.78)
	Excise Duty		0.00		0.00	73.92	73.92		73.92
	Employee Benefits Expense	**33**	40.13		1.37	1.62	43.12	(0.01)	43.11
	Finance Costs	**34**	40.99	8.62		(0.64)	48.97	0.18	49.16
	Depreciation and Amortisation Expense	**35**	35.00	8.49	4.33	0.00	47.82		47.82
	Other Expenses	**36**	114.80	3.41	0.36	5.46	124.04	0.87	124.91
	Total Expenses		**842.18**	**20.52**	**6.06**	**71.63**	**940.39**	**0.25**	**940.64**
3	**Profit Before Exceptional Items and Tax**		**45.04**	**(26.26)**	**31.20**	**3.41**	**53.38**	**(7.88)**	**45.50**
4	Preacquisition Profit		**0.00**	**0.00**			3.41		3.41
5	**Profit Before Tax (3-4)**		**45.04**	**(26.26)**	**31.20**	**3.41**	**49.97**	**(7.88)**	**42.09**
6	**Taxes Expenses**	**37**							
	(i) Current Tax		9.00		0.00		9.00	0.64	9.64
	(ii) Deferred Tax		(0.20)		14.85		15.52	(0.87)	14.65
	(iii) Tax Credit		(6.22)		**0.00**		(6.22)		(6.22)
	(iv) Tax for Earlier year		0.00	0.00	0.00		0.87	(0.87)	0.00
7	**Profit / (Loss) for the year (after tax) (5-6)**		**42.46**	**(26.26)**	**16.35**	**3.41**	**30.81**	**(6.79)**	**24.02**
8	**Other Comprehensive Income**								
	Items that will not be reclassified to profit & loss								
	Remeasurement of defined benefit obligation (DBO)				1.37		1.37		1.37
	Income tax relating to such items								
	Tax impact on Remeasurement of DBO				(0.47)		(0.47)		(0.47)
	Profit / (Loss) for the year (after tax) (7-8)		**42.46**	**(26.26)**	**16.35**	**3.41**	**30.81**	**(6.79)**	**24.02**

SUMMARY STATEMENT OF CONSOLIDATED RECONCILIATION OF STATEMENT OF CASH FLOW

	Indian GAAP	**Reclassification**	**Adjustments**	**Ind AS**
Cash generated from operating activities	124.18	(24.01)	(37.26)	62.91
Net cash generated from/(used in) investing activities	(224.86)	30.28		(194.57)
Net cash generated from/(used in) financing activities	86.60	51.49		138.10
Cash and cash equivalents at the beginning of the year	43.86	(26.33)		17.54
Cash and cash equivalents at end of year	29.79	(5.82)		23.97

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Reconciliation of Total Equity
The reconciliation of Equity as reported as per earlier Indian GAAP and the equity as per IND AS is as per table below:

Particulars	As at 31st March, 2017	As at 1st April, 2016
Equity under Previous Indian GAAP	**214.23**	**175.07**
Adjustment of errors relating to earlier years		
Depreciation Charged	25.85	15.01
Decapitalisation of Interest	14.86	6.89
Capitalisation of Foreign Exchange fluctuation as per para 46A of AS-11	21.98	17.95
Income tax provision	1.39	1.39
Income tax Refund/TDS Written off	1.12	1.12
Impact on account of availment of Tax credit entitlement as per section 115JB of Income tax Act'1961	(1.03)	(1.03)
Impact on account of Prior Period Adjustments	4.21	4.21
IND AS Adjustments		
Impact on account of Deferred Government Grant (EPCG)	26.58	22.46
(Gain)/Loss on Remeasurement of financial assets (Security Deposit)	0.56	0.66
(Gain)/Loss on Remeasurement of financial Liability	(36.95)	0.00
Impact on account of equalisation of Rent	0.36	0.00
Impact on Deferred Tax on account of above adjustments	6.68	(8.64)
Restatement Adjustment	14.73	6.21
Equity as per Ind AS	**133.89**	**108.86**

Explanations to the material adjustments made in the process of IND AS transition from previous GAAP

a. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

b. Re-Classifications
The Company has done the following reclassifications as per the requirements of Ind-AS :
i) Assets / liabilities which do not meet the definition of financial asset / financial liability under IND AS have been reclassified to other asset / liability.
ii) Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.
iii) Excise duty on sales was netted off with Sales under Previous IGAAP and now it is required to be presented separately under IND AS.

c. Revenue from Operation

Excise duty, under previous GAAP, was adjusted in revenue from sale of products whereas under Ind AS, it is considered as a production cost and hence disclosed separately as an expense in the statement of profit and loss.

d. Government Grant

Under previous GAAP, government grants were accounted by way of adjustment against the cost of the related assets for which the grants were received whereas under Ind AS government grants are included in other liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the remaining useful life of the related asset.

As per IND AS EPCG income is recognised over the validity of EPCG license in proportionate to export sales which were not required under previous IGAAP.

e. Leases

Under Ind AS, if the payments to the lessor are not structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases than company is required on straight lining of lease rent.

The Company has initially recognised security deposit paid to the lessor at fair value and subsequently at amortised cost as per Ind AS 109.

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f. Leases/Amortisation Expense

Under Indian GAAP, lease agreement to use land was excluded from accounting of leases under AS 19. Under IND AS, use of land is not excluded from accounting of leases. Due to the above, measurement amount of lease, operating or finance has been changed resulting into change in amortisation expenses.

g. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

h. Retained earnings
Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments

i. Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and tax thereon. The concept of other comprehensive income did/does not exist under previous GAAP.

j. Cost of Material consumed
Discount received on purchases, under previous GAAP, was considered separately as an other income, whereas under Ind AS, it has been netted of with consumption in the statement of profit and loss.

k. Property, Plant and Equipment / Government grants
Under previous GAAP, Government grants related to specific fixed assets were deducted from gross value of related assets by the Company. As per Ind AS 16 the same has been recognised at fair value as income and are credited to Statement of Profit & Loss on a straight line basis over the expected useful life of the related assets.
EPCG benefit under previous IGAAP were shown as contingent liability, as per IND AS the same has been capitalised and amortised over the life of assets.

13 Impact of Change in accounting estimate with respect to depreciation method

Depreciation on property, plant and equipment is provided on straight line method which hitherto is provided on written down value method. The impact of which is tabulated below:

Particular	**Amount**
Depreciation as per Written down Value Method	71.16
Depreciation as per Straight Line Method	23.03
Impact on Profit/Other Equity	**48.12**

(a) Impact on profit on account of change in method of depreciation includes Rs. 12.53 for Rokani and Sons where WDV method as per Income tax Act'1961 was followed instead of SLM as per Companies Act

(b) The Act has provided us two options for depreciation. The company has chosen Straight Line method. The impact of depreciation will vary in each year so impact for future period is not ascertainable.

14 Company has cash balance of Rs. 11.15 in hand at the year the end and no sufficient cash insurance has been taken.

15 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the table below:

Particular	**SBNs**	**Other denomination Notes**	**Total**
Closing cash in hand as On 08.11.2016	0.80	0.37	1.17
(+) Permitted receipts	0.00	1.50	1.50
(-) Permitted Payments	0.00	1.49	1.49
(-) Amount deposit In bank	0.80	0.00	0.80
Closing cash in hand as on 30.12.16	**0.00**	**0.38**	**0.38**

16 Investment in Subsidiary Partnership firm

i)

Name of Subsidiary Partnership firm	**Country of incorporation**	**Portion of ownership interest as at 31st March 2018**	**Portion of ownership interest as at 31st March 2017**	**Portion of ownership interest as at 1st April 2016**	**Method Used to account for the investment**
Rokani & Sons	India	99%	99%	NA	Cost

The company have made an investment of Rs. 10 in Rokani & Sons.

(Rs. in Million unless otherwise stated)

38 Other explanatory information and notes on accounts

ii) Aggregate amount of share of each of the assets, liabilities, income, expenses, contingent liabilities and commitment related to its interests is given below

Particulars	For the year ended March 31	
	2018	2017
Income	170.27	79.71
Expenses	153.34	79.20
Assets	196.28	65.74
Liabilities including Partner's Capital	196.28	65.74
Contingent liabilities	0.13	0.00
Commitments (net of advance)	0.00	0.00

17 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the Entity in the group	Net Assets i.e. Total Assets minus Total Liabilities		Share of Profit or Loss		Share in OCI		Share in total CI	
	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total CI	Amount
A. Holding Company								
Zircon Technologies (India) Limited	102.06%	202.00	105.35%	67.23	86.55%	0.19	105.28%	67.42
B. Subsidiary Partnership firm								
Rokani & Sons	22.49%	44.51	17.54%	11.19	13.45%	0.03	17.52%	11.22
Consolidation Adjustments	-24.55%	(48.59)	-22.89%	(14.60)	0.00%	0.00	-22.81%	(14.60)
Total	**100.00%**	**197.92**	**100.00%**	**63.81**	**100.00%**	**0.22**	**100.00%**	**64.03**

18 Statement containing salient features Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 relating to Subsidiary

Name of Subsidiary Partnership Firm	Date since which subsidiary was acquired	Reporting Currency	Partner's Capital	Total Assets	Total Liabilities	Investments
Rokani & Sons	1-Oct-16	INR	44.51	198.27	153.76	0.00

Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	OCI	Total CI	Proposed Dividend	% of Shareholding
171.99	17.10	5.91	11.19	0.03	11.22	-	99%

19 Previous Year figures have been Regrouped/Rearranged wherever necessary.

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20. Related Party disclosure

I) List of related parties where control exists and also other related parties with whom transactions have taken place and relationships:

S.No.	Name	Relationship
a)	**Key Management Personnel(KMP)**	
	Mr. Sanjeev Sondhi	Director
	Mrs. Poonam Sondhi	Director
	Mr. Tilak Raj Sondhi	Director
	Mr. Sanchay Sondhi	Director W.e.f. 01-01-2018
	Mr. Pramod Agarwal	Independent Director
	Mr. Ashwani Kumar punn	Independent Director
	Mr. Shailendra Kumar	Independent Director
	Mr. Pitamber Mishra	Chief Financial Officer W.e.f. 02-07-2018
b)	**Relatives of KMP**	**Relationship**
	Mr. Rajeev Manrai	Brother of Director
	Mr. Sanchay Sondhi	Son of Director
c)	**Entities over which Key Management Personnel together with their relatives have significant influence :**	
	Zion Inc.	
	Securedibs Technologies Private Limited	

II. The following transactions were carried out with the related parties in the ordinary course of business:

S.No.	Related Party	Relationship	Nature of Transaction	2017-2018	2016-2017
1	Zion Inc.	Entities over which key management personnel together with their relatives have significant influence	Sales made during the year	45.58	4.94
			Purchases made during the year	2.74	0.26
			Outstanding Balance	41.18	5.13
2	Mr. Rajeev Manrai	Relative of KMP	Remuneration Paid	3.60	3.60
3	Mr. Sanjeev Sondhi	Director	Remuneration Paid	6.00	6.00
			Loan from director	0.00	4.50
			Loan Repaid	4.50	0.00
4	Mrs. Poonam Sondhi	Director	Remuneration Paid	3.60	3.60
5	Mr. Sanchay Sondhi	Relative of KMP	Salary Paid	0.10	0.00
6	Mr. Sanchay Sondhi	Director	Remuneration Paid	0.30	0.00

The Notes are an integral part of the Financial Statements

In terms of our report attached
For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

B. L. Choraria
Partner
Membership No. 022973

Place: Noida (Delhi-NCR)
Date: 12th Sept'2018

For and on behalf of the Board of Directors

Zircon Technologies (India) Limited

Sanjeev Sondhi
Director
(DIN 01053263)

Poonam Sondhi
Director
(DIN 01053297)

Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

ZIRCON TECHNOLOGIES (INDIA) LIMITED

(Rs. in Million unless otherwise stated)

Annexure VIII - Restated Consolidated statement of adjustments to audited financial statements

Summarized below are the restatement adjustments made to the audited financial statements for the years ended 31 March 2018 and 2017 and their impact on the profit of the Company

Particulars		Notes /Annexure	For the year ended 31 March	
			2018	2017
(A)	Net profit after tax as per audited financial statements as per Indian GAAP		NA	42.46
(B)	Ind AS Adjustments			
	Impact on account of Deferred Government Grant (EPCG)	Refer Note 38 (12) of Annexure VII	NA	4.13
	(Gain)/Loss on Remeasurement of financial assets		NA	(0.10)
	(Gain)/Loss on Remeasurement of financial Liability		NA	(36.95)
	Impact on account of equalisation of Rent		NA	0.36
	Deferred tax on Reclassification of Defined Benefit obligation		NA	0.47
	Total Ind AS adjustments			**(32.09)**
(C)	Adjustment of errors relating to earlier years			
	Depreciation Charged	Note 1 (a) below	NA	10.85
	Decapitalisation of Interest	Note 1 (a) below	NA	7.97
	Capitalisation of Forex fluctuation as per para 46A of AS-11	Note 1 (a) below	NA	4.04
	Total Adjustment of errors relating to earlier years		NA	**22.85**
(D)	Net profit after tax as per IND AS (A+B)		**50.17**	**51.70**
(E)	(i) Material Restatement Adjustment : -			
	Sales Return and Credit Notes to customers	Note 2 (a) below	28.47	(2.98)
	Bad debts written off	Note 2 (b) below	4.03	0.00
	Prior Period expenses	Note 2 (c) below	2.21	(1.05)
	Loss on Sale of Property, Plant & Equipment	Note 2 (d) below	2.52	(2.52)
	Foreign Exchange Fluctuation	Note 2 (e) below	2.13	(2.13)
	Sales Tax, Excise and Service tax	Note 2 (f) below	0.66	(0.06)
	Amount written off/written back	Note 2 (g) below	0.55	0.06
	Debit notes for purchase rate differences	Note 2 (h) below	(4.71)	(1.74)
	Impact on Inventory on account of Sales Return	Note 2 (a) below	(22.64)	2.54
	Pre Acquisition Profit	Note 2 (i) below	0.00	(3.41)
	Total Material Restatement Adjustments		**13.22**	**(11.29)**
	(ii) Adjustment of short income tax provision and deferred tax			
	Income tax related to earlier years	Note 3 (a) below	0.64	(0.64)
	Deferred tax adjustments	Note 3 (b) below	-	(14.85)
	Total tax Restatement Adjustments		**0.64**	**(15.49)**
(F)	**Total Impact of Restatement Adjustment (i+ii)**		**13.87**	**(26.78)**
	Net profit after tax as per Restated financial Information (D+F)		**64.03**	**24.91**

Notes to Adjustment

1 Adjustment of errors relating to earlier years

a) Errors in calculation of depreciation on property, plant & equipment in the year 31 March 2017 on account of wrong capitalisation of interest on borrowing, non-capitalisation of foreign exchange fluctuation on qualifying assets as per para 46A of AS-11 and date of capitalisation taken wrongly. Such errors have been rectified in the current financial year and restated in the respective year in which such errors were originally occurred.

b) Income tax provision, Income tax refund/TDS receivables, MAT Credit relating to earlier years have been restated and adjusted with opening retained earning.

c) Expenses pertaining to prior to 2016-17 have been restated and adjusted with opening retained earning.

2 Material Restatement Adjustments

All expenses and income debited/credited in the accounting years 2016-17 and 2017-18 pertaining to prior to 1st April, 2016 have been adjusted in the Opening balance of Reserves & Surplus / other equity of 1st April, 2016 in the restated consolidated financial statements.

a) Sales return and credit notes: - Sales accounted for in the year of transaction have been returned by the customers in subsequent years which have been restated in the year in which such sales were originally accounted for. Corresponding impact on inventory of Finished Goods is also considered (net of margin).

Credit note given by the company on account of pricing difference, short quantity or quantity discount on the sales made to the customers have been restated in the year in which such sales was recognised.

b) Bad debts written off: - Company has written off the debtors during the year ended March 31, 2018 which were no longer expected to be recovered. Such write offs have been restated in the respective years, in which such debtors were originally accounted for.

c) Prior Period Income/Expenses: - Prior period income/expenses, have been restated in the respective accounting years in which the such expenses were incurred or income was received.

(Rs. in Million unless otherwise stated)

d) Loss on sale of property, plant & Equipment: - Company has accounted for loss on sales of property, plant and equipment during the financial year ended March 31, 2018 on sale of machinery originally sold in the previous year, have been restated in the respective accounting year.

e) Foreign exchange fluctuation: - Company has wrongly accounted for gain on foreign exchange fluctuation during the year 2016-17 which is reversed in current financial year, have been restated in respective years.

f) Sales Tax, Excise & Services Tax: - Sales tax, excise & service tax expense claimed by the respective department on respective assessments were paid in the year in which demands were raised by the respective departments and have been restated in the respective accounting years.

g) Amount written off/written back: - Company has written off / written back some liabilities or provision which were excess provided in the previous years and become non-payable in the subsequent years, similarly company has given some advances or created some recoverable assets which also become non-receivable / non-recoverable in the subsequent year, such income / expenses have been restated in the respective year, in which such liabilities/provision were originally created and Advances originally given.

(h) Debit notes for purchase rate differences :- Debit note issued by the company on account of pricing difference, short quantity or quantity discount on purchases made from vendors have been restated in the year in which such purchase was recognised.

(i) Pre acquisition profit :- Pre acquisition profit relating to partnership firm have been restated and adjusted with profit of the year which was earlier adjusted with reserve and surplus.

3 Adjustment of short income tax provision and deferred tax adjustments

a) Income Tax related to earlier year: - Short/Excess provision of Income tax made in the year ended March 31, 2017, have been restated.

b) Deferred Tax Adjustment: - Deferred tax has been computed on adjustments made as stated above and as per the actual timing differences arises on the basis of Income tax returns filed by the company and the same has been restated in respective year.

4 Reconciliation of total equity as at 1 April 2016

	Particulars	Notes /Annexure	1st April'2016
(A)	**Total equity (Shareholder's funds) as per Previous GAAP**		**175.07**
(B)	**Ind AS Adjustments**		
	Impact on account of Deferred Government Grant (EPCG)	Refer Note 38 (12) of Annexure VII	22.46
	(Gain)/Loss on Remeasurement of financial assets (Security Deposit)	Refer Note 38 (12) of Annexure VII	0.66
	Total Ind AS adjustments		**23.12**
(C)	**Adjustment of errors relating to earlier years**		
	Depreciation Charged	Note 1(a) above	15.01
	Decapitalisation of Interest	Note 1(a) above	6.89
	Capitalisation of Foreign Exchange fluctuation as per para 46A of AS-11	Note 1(a) above	17.95
	Income tax provision	Note 1(b) above	1.39
	Income tax Refund/TDS Written off	Note 1(b) above	1.12
	Impact on account of availment of Tax credit entitlement as per section 115JB of Income tax Act'1961	Note 1(b) above	(1.03)
	Impact on account of Prior Period Adjustments	Note 1(c) above	4.21
	Adjustment of errors relating to earlier years		**45.53**
(D)	**Total Equity as per IND AS (A-B-C)**		**106.42**
	(i) Material Restatement Adjustment : -		
	Sales Return and Credit Notes	Note 2 (a) above	(25.49)
	Bad debts written off	Note 2 (b) above	(4.03)
	Prior Period expenses	Note 2 (c) above	(1.26)
	Sales Tax, Excise and Service tax	Note 2 (f) above	(0.60)
	Amount written off/written back	Note 2 (g) above	(0.62)
	Debit notes for purchase rate differences	Note 2 (h) above	6.55
	Impact on Inventory on account of Sales Return	Note 2 (a) above	20.10
	Total Material Restatement Adjustments		**(5.34)**
	(ii) Adjustment of short income tax provision and deferred tax		
	Income tax related to earlier years	Note 3 (a) above	(0.87)
	Deferred tax adjustments	Note 3 (b) above	8.64
	Total tax Restatement Adjustments		**7.78**
(E)	**Total Impact of Restatement Adjustment (i+ii)**		**2.44**
	Total Equity as per Restatement financial Information (D+E)		**108.86**

(Rs. in Million unless otherwise stated)

5 Material Regrouping

Appropriate adjustments have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss, Restated Consolidated Statement of Cash Flows and Restated Consolidated Statement of Changes in Equity, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the Consolidated audited financials of the Company as at and for the period ended 31 March 2018.

6 Non-Adjusting items

Qualification/ modifications / emphasis of matter / other matters in the Auditors' report which do not require any corrective adjustments in the Restated Consolidated Financial Information.

As Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 as at and for the financial years ended 31 March 2016 and 31 March 2017 respectively not applicable on the consolidated financial statements.

Financial Year 2016-2017

Qualification/ modification / emphasis of matters in the Auditor's Report was Nil

Other matters

The financial statement of subsidiary partnership firm are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statement, insofar as it relates to the amount and disclosures included in respect of the subsidiary enterprises and our report in term of the sub section (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiary enterprises is based solely on such unaudited financial statement.

Financial Year 2017-18

Qualification/ modification / emphasis of matters in the Auditor's Report was Nil

Other matters

a. We did not audit the financial statements of the partnership firm (M/s Rokani & Sons) whose financial statement reflects total assets of Rs 198.27 million as at 31st March 2018, total revenues Rs 165.25 million for the year ended 31st March 2018. The financial statements of partnership firm whose financial has been furnished to us by the management, and our opinion on the consolidated financial statements, insofar as it relates to the amounts and disclosure included in respect of aforesaid partnership firm and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid partnership firm, is based solely on the financial statements certified by the management and information and explanations provided to us by the management of the Holding Company

b. The comparative financial information of the company for the year ended 31 March 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Act and other accounting principles generally accepted in India included in these consolidate Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 01st September 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Annexure IX - Restated Consolidated statement of Other Incomes

Particulars	Nature	For the year ended 31 March	
		2018	2017
		IND AS	
Interest income on Fixed Deposits/ Margin Money	Recurring	1.97	1.62
Interest Income - Others	Recurring	0.07	0.00
Other receipts	Recurring	0.37	0.25
Profit on sale of assets	Non-recurring	-	(2.11)
Insurance claim	Non-recurring	-	1.01
Exchange Fluctuations (Net)	Recurring	-	0.08
Government Grant	Recurring	0.19	0.21
Unfolding of Security Deposit	Non-recurring	0.12	0.10
Gain on Remeasurement of Financial Liability	Non-recurring	-	36.95

Gain on Remeasurement of Financial Liability during the year March'2017 exceeds 20% of Profit before tax which arises on fair value measurement of special credit facility received from one of the supplier of the company. (Refer Note 18 to Annexure VI for detail)

ZIRCON TECHNOLOGIES (INDIA) LIMITED
(Rs. in Million unless otherwise stated)

Annexure X - Restated Consolidated statement of Accounting Ratio

Particulars	Note Reference	For the year ended 31 March 2018	2017
		Ind AS	
Earnings per share (Face Value of Rs. 10 each)			
Basic and Diluted EPS (in Rs.) *	Note 1(i) & 1(ii) below	4.31	1.63
Return on Net Worth % *	Note 1 (iii) below	32.22%	17.96%
Net asset value per equity share (Rs.) *	Note 1 (iv) below	22.31	15.09
(a) Number of equity shares outstanding at the end of the year		8.86	8.86
(b) Weighted average number of equity shares for Basic and Diluted EPS		14.77	14.77
(c) Earnings Per Equity Share	[Refer Note 38 (5)]	4.31	1.63
(d) Restated Net Profit, attributable to equity shareholders		63.70	24.02
(e) Share Capital		88.62	88.62
(f) Reserves (Other equity), as restated		109.07	45.15
(g) Net worth, as restated		197.69	133.77

* presented in two decimals

1. The ratios on the basis of Restated financial information have been computed as below:

(i) Basic Earnings per share (INR) = $\frac{\text{(d) Restated Net Profit, attributable to equity shareholders}}{\text{(b) Weighted average number of equity shares for Basic and Diluted EPS}}$

(ii) Diluted Earnings per share (INR) = $\frac{\text{(d) Restated Net Profit, attributable to equity shareholders}}{\text{(b) Weighted average number of equity shares for Basic and Diluted EPS}}$

(iii) Return on net worth (%) = $\frac{\text{(d) Restated Net Profit, attributable to equity shareholders}}{\text{(g) Net worth, as restated}}$

(iv) Net Asset Value (NAV) per equity share (INR) = $\frac{\text{(g) Net worth, as restated}}{\text{(a) Number of equity shares outstanding at the end of the year}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year 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. This has been adjusted for all periods presented by giving effect to bonus subsequent to the balance sheet date. [Refer note 38 (5)]

3. Net Worth = Equity share capital + Other Equity (including Securities Premium and Surplus/ (Deficit) excluding non-controlling interest)

4. The above ratios have been computed on the basis of the Restated Financial Information - Annexure I to Annexure IV.

Annexure XI - Restated Consolidated statement of capitalisation

Particulars	**Pre offer for the year ended 31 March 2018**	***As adjusted for issue (Refer note ii below)**
Debt:		
Long term borrowings	164.11	--
Short term borrowings	240.04	--
Current maturities of long-term debt	83.21	--
Total debt (A)	**487.37**	**--**
Shareholder's funds:		--
Equity share capital	88.62	--
Reserves (Other equity), as restated	109.07	--
Total shareholders' fund (B)	**197.69**	**--**
		--
Total debt/ shareholder's fund (A/B)	**2.47**	**--**

Notes:

i) The above has been computed on the basis of the Restated Financial Information - Annexure I to Annexure IV.

ii) *The Corresponding post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

ZIRCON TECHNOLOGIES (INDIA) LIMITED
(Rs. in Million unless otherwise stated)

Annexure XII - Restated Consolidated statement of dividend declared/paid

Particulars	For the year ended 31 March	
	2018	2017
	Ind AS	
Number of equity shares outstanding (in million)	8.86	8.86
Face value per share	10.00	10.00
Interim dividend	-	-
Dividend tax	-	-
Rate of Dividend (%)	-	-
Dividend tax rate	-	-
Dividend per equity share (in Rs.)	-	-

EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

To
The Board of Directors,
Zircon Technologies (India) Limited
NO-2B-1226, G.D. Colony,
Mayur Vihar Phase-III,
New Delhi 110096.

Dear Sirs,

1) We have examined the attached Restated Standalone Financial Information of Zircon Technologies (India) Limited (the "Company"), which comprise of the Restated Standalone Statement of Assets and Liabilities as at 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014, the Restated Standalone Statement of Profit and Loss, the Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash Flows for each of the years ended 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014 and the Significant Accounting Policies, read together with the annexures and notes thereto and other restated financial information as appearing in paragraph 6 below (collectively, together with the notes and annexures thereto, the "Restated Standalone Financial Information"), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO"). The Restated Standalone Financial Information has been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act"), as amended; and

   (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date ("ICDR Regulations") in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31st March 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.

   The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and the ICDR Regulations.

2) We have examined such Restated Standalone Financial Information taking into consideration:

   (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 10th August 2018 in connection with the IPO of the Company; and

   (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

3) These Restated Standalone Financial information have been compiled by the management from:

(a) As at and for the years ended 31st March 2018 and 31st March 2017- From the audited financial statements of the Company as at and for the years ended 31st March 2018 and 31st March 2017, being the comparative period for the year ended 31st March 2018, prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on 30th August 2018. The audited financial statements of the Company as at and for the year ended 31st March 2017, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Act and other accounting principles generally accepted in India, which had been approved by the Board of Directors at their Board meeting held on 1st September 2017. These financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1st April 2016 ('transition date') and are disclosed as the comparative figures for the year ended 31st March 2018;

(b) As at and for the years ended 31st March 2016 and 31st March 2015- From the audited financial statements of the Company as at and for the years ended 31st March 2016 and 31st March 2015, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors at their Board meeting held on 5th September 2016 and 21st July 2015 respectively and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date ;and

(c) As at and for the year ended 31st March 2014- From the audited financial statements of the Company as at and for the year ended 31st March 2014, prepared in accordance with Accounting Standards prescribed under section 211 (3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006, which have been approved by the Board of Directors at their Board meeting held on 05th September 2014 and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

The Restated Standalone Financial Information mentioned in the 3(b) and 3(c) above, as at and for the years ended 31st March 2016, 31st March 2015 and 31st March 2014 are referred to as "the Proforma Ind AS Restated Standalone Financial Information " as per the Guidance Note.

4) The audit of the Company's financial statements as referred in paragraph 3 above for the year ended 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014 was conducted by the predecessor auditor, K.B. Chandna & Co, Chartered Accountants.

5) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, read together with paragraph 3 above and the reliance placed on the audit report of the predecessor auditor as referred to in paragraph 4 above, we report that:

(a) The Restated Standalone Statement of Assets and Liabilities of the Company as at 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014 examined by us, as set out in Annexure I to the Restated Standalone Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VIII – Restated Standalone Statement of Adjustments to the Audited Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

(b) The Restated Standalone Statement of Profit and Loss and Other Comprehensive Income of the Company for each of the years ended 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014 examined by us, as set out in Annexure II to the Restated Standalone Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VIII- Restated Standalone Statement of Adjustments to the audited financial statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

(c) The Restated Standalone Statement of Changes in Equity of the Company for each of the years ended 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014 examined by us, as set out in Annexure IV to the Restated Standalone Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described Annexure VIII - Restated Standalone Statement of Adjustments to the audited financial statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

(d) The Restated Standalone Statement of Cash Flows of the Company for each of the years ended 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014 examined by us, as set out in Annexure III to the Restated Standalone Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VIII - Restated Standalone Statement of Adjustments to the audited financial statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

(e) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the audit report of the predecessor auditor as referred to in paragraph 4 above, we further report that the Restated Standalone Financial Information:

   (i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;

   (ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(iii) do not contain any extra-ordinary item that need to be disclosed separately in the Restated Standalone Financial Information and have been adjusted for qualifications, if any, in the auditor's report in the respective financial years to which they relate. However, other remarks / comments in the Annexure to the Auditor's report on the financial statements of the Company which do not require any corrective adjustments in the Restated Standalone Financial Information are disclosed in Annexure VIII of the Restated Standalone Financial Information.

6) We have also examined, after placing reliance on the audit report of the predecessor auditors as referred to in paragraph 4 above, the following restated standalone financial information of the Company as set out in the Annexures prepared by the management and approved by the Board of Directors on 12th September 2018 for the years ended 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014:

(i) Corporate Information, Basis of Accounting, Significant Accounting Policies and Significant Judgements & Key Estimates as enclosed in Annexure V;
(ii) Notes to Restated Standalone Financial Information as enclosed in Annexure VI;
(iii) Other Explanatory Information and Notes on Restated Standalone Financial Information as enclosed in Annexure VII;
(iv) Restated Standalone Statement of Adjustments to Audited Financial Statements as enclosed in Annexure VIII;
(v) Restated Standalone Statement of Other Income, as enclosed in Annexure IX
(vi) Restated Standalone Statement of Accounting Ratios, as enclosed in Annexure X;
(vii) Restated Standalone Statement of Capitalisation, as enclosed in Annexure XI;
(viii) Restated Standalone Statement of Dividend declared/paid, as enclosed in Annexure XII; and
(ix) Restated Standalone Statement of Tax Shelter, as enclosed in Annexure XIII

7) According to the information and explanations given to us and also as per the reliance placed on the audit report of the predecessor auditor as referred to in paragraph 4 above, in our opinion:

(i) the Restated Standalone Financial Information and the above other Restated Standalone Financial Information contained in Annexures VI to XII accompanying this report, read with Significant Accounting Policies disclosed in Annexure V, as at and for the years ended 31st March 2018 and 31st March 2017 are prepared after making adjustments and regroupings/reclassifications as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note; and

(ii) the Proforma Ind AS Restated Standalone Financial Information and the above other Restated Standalone Financial Information contained in Annexures VI to XII accompanying this report, read with significant accounting policies disclosed in Annexure V, as at and for the years ended 31st March 2016, 31st March 2015 and 31st March 2014 are prepared after making proforma adjustments and regroupings/reclassifications as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note.

8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and by the previous auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10) Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, relevant Stock Exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Singhi & Co,**
Chartered Accountants
Firm's Registration No: 302049E

B.L. Choraria
Partner
Membership No: 022973

Place: Noida (Delhi NCR)
Date: 12th September 2018

ZIRCON TECHNOLOGIES (INDIA) LIMITED
Annexure I - RESTATED STANDALONE STATEMENT OF ASSETS & LIABILITIES
(Rs. in Million unless otherwise stated)

	Particulars	Note No.		As at 31st March 2018	As at 31st March 2017	As at 31st March 2016 Proforma Ind AS	As at 31st March 2015 Proforma Ind AS	As at 31st March 2014 Proforma Ind AS
ASSETS								
	Non-Current Assets							
(a)	Property, Plant & Equipment	5		521.45	484.70	348.72	374.00	326.84
(b)	Capital work-in-progress	5		-	18.11	4.64	0.45	-
(c)	Intangible assets	6		5.13	3.62	4.07	4.75	3.33
			A	**526.58**	506.43	357.43	379.20	330.17
(d)	Financial Assets							
	(i) Investment in Partnership firm	7		44.28	37.30	-	-	-
	(ii) Other financial assets	8		3.64	4.33	4.56	3.08	2.33
(e)	Deferred Tax Assets (Net)	9		27.88	18.89	27.79	23.98	11.18
(f)	Other Non-Current Assets	10		14.53	7.43	21.87	5.27	0.08
			B	**90.32**	67.95	54.22	32.33	13.59
	Current Assets							
(a)	Inventories	11		140.48	127.54	114.11	90.03	68.15
(b)	Financial Assets							
	(i) Trade Receivables	12		191.48	172.03	176.70	134.69	102.74
	(ii) Cash and Cash Equivalents	13		10.79	7.41	17.54	11.07	30.72
	(iii) Bank balances other than Note 13 above	14		9.66	9.12	29.25	38.32	25.57
	(iv) Other financial assets	15		3.47	10.95	8.74	1.40	2.48
(c)	Other Current Assets	16		10.37	25.41	8.53	16.87	16.62
			C	**366.24**	352.45	354.86	292.39	246.27
	TOTAL ASSETS		(A+B+C)	**983.15**	926.83	766.51	703.91	590.03
EQUITY AND LIABILITIES								
	Equity							
(a)	Equity Share Capital	17		88.62	88.62	22.16	22.16	22.16
(b)	Other Equity	18		112.76	44.99	86.55	56.86	56.93
			D	**201.38**	133.61	108.70	79.02	79.09
	Liabilities							
	Non-Current Liabilities							
(a)	Financial Liabilities:							
	(i) Borrowings	19		158.02	143.15	118.47	142.30	64.68
	(ii) Trade Payables	20		128.22	133.05	-	-	-
	(iii) Other Financial Liabilities	21		-	48.61	-	-	77.00
(b)	Other Non Current Liabilities	22		66.18	66.18	66.02	66.25	52.38
(c)	Provisions	23		0.68	0.66	1.88	1.21	0.94
			E	**353.10**	391.65	186.37	209.75	195.00
	Current Liabilities							
(a)	Financial Liabilities:							
	(i) Borrowings	24		214.24	276.46	205.15	189.43	166.95
	(ii) Trade Payables	25						
	Total outstanding dues of Micro, small & medium enterprises			-	-	-	-	-
	Total outstanding dues of others			101.36	36.04	198.71	165.72	100.06
	(iii) Other Financial Liabilities	26		89.58	70.51	49.48	45.77	39.47
(b)	Other Current Liabilities	27		11.74	9.71	9.83	7.79	9.27
(c)	Provisions	28		0.08	0.04	0.10	0.02	0.03
(d)	Current Tax Liabilities (Net)	29		11.67	8.82	8.17	6.42	0.16
			F	**428.67**	401.57	471.44	415.15	315.94
	TOTAL EQUITY & LIABILITIES		(D+E+F)	**983.15**	926.83	766.51	703.91	590.03

The above statement should be read with the below mentioned notes appearing in Annexure V & Annexure VII along with Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement of Adjustment to Audited Financial Statement appearing in Annexure VIII.

Corporate and General Information	1
Basis of Accounting	2
Significant Accounting Policies	3
Significant Judgements and Key Estimates	4
Other explanatory information and notes on accounts	39

For and on behalf of the Board of Directors

Zircon Technologies (India) Limited

The Notes are an integral part of the Financial Statements

In terms of our report attached
For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sanjeev Sondhi
Director
(DIN 01053263)

Poonam Sondhi
Director
(DIN 01053297)

B. L. Choraria
Partner
Membership No. 022973

Place: Noida (Delhi-NCR)
Date: 12th Sept'2018

Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

ZIRCON TECHNOLOGIES (INDIA) LIMITED

ANNEXURE II- RESTATED STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED

(Rs. in Million unless otherwise stated)

	Particulars	Note No.	31st March, 2018	31st March, 2017	31st March, 2016 Proforma Ind AS	31st March, 2015 Proforma Ind AS	31st March, 2014 Proforma Ind AS
	INCOME						
I	Revenue from Operations (Gross)	**30**	819.51	865.40	819.67	611.97	467.38
II	Other income	**31**	1.79	40.94	11.17	4.86	3.42
III	Total Income	(I+II)	**821.30**	**906.34**	**830.84**	**616.82**	**470.80**
IV	**EXPENSES**						
	Cost of materials consumed	**32**	474.64	548.98	544.88	416.56	290.33
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	**33**	3.26	(3.54)	(18.03)	(10.72)	12.39
	Excise Duty		18.92	73.92	44.50	22.21	14.96
	Employee benefits expense	**34**	45.31	37.24	43.97	39.72	30.07
	Finance costs	**35**	70.05	48.43	39.07	32.92	35.24
	Depreciation and Amortisation expense	**36**	21.49	47.04	42.92	42.29	34.38
	Other expenses	**37**	128.06	112.71	98.97	79.46	62.34
	Total expenses		**761.72**	**864.77**	**796.27**	**622.44**	**479.72**
V	**Profit/(Loss) before Exceptional Items & Tax**	(III-IV)	59.58	41.57	34.57	(5.61)	(8.92)
VI	Exceptional Items		-	-	-	-	-
VII	**Profit/(Loss) before Share from partnership firm and tax**	(V-VI)	59.58	41.57	34.57	(5.61)	(8.92)
	Share from Partnership firm		11.11	0.11	-	-	-
VIII	**Profit/(Loss) Before Tax**		**70.69**	**41.68**	**34.57**	**(5.61)**	**(8.92)**
IX	Tax expense:	**38**					
	(1) Current tax		12.20	9.23	8.87	7.18	0.91
	(2) Deferred tax		1.99	14.65	2.77	(6.16)	6.62
	(3) Tax Credit Entitlement		(11.08)	(6.22)	(6.63)	(6.60)	(0.87)
X	**Profit/(Loss) for the Year**	(VIII-IX)	**67.58**	**24.02**	**29.57**	**(0.03)**	**(15.58)**
XI	**Other Comprehensive Income**						
	(i) Items that will not be reclassified to profit or loss						
	Remeasurement of Benefit benefit obligation		0.29	1.37	0.17	(0.14)	0.34
	(ii) Income tax relating to items that will not be reclassified to profit or loss						
	Tax Impact on Remeasurement of Defined benefit obligation		(0.10)	(0.47)	(0.05)	0.04	(0.11)
	Other Comprehensive Income/ (Expense) for the Year (Net of Tax)		0.19	0.89	0.11	(0.09)	0.23
	Total Comprehensive Income/(Expense) for the Year	(X+XI)	**67.77**	**24.91**	**29.68**	**(0.13)**	**(15.35)**
	Earning per Share	**39(5)**					
	(Nominal value of share Rs. 10)						
	(1) Basic		4.58	1.63	2.00	(0.00)	(1.11)
	(2) Diluted		4.58	1.63	2.00	(0.00)	(1.11)

The above statement should be read with the below mentioned notes appearing in Annexure V & Annexure VII along with Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement of Adjustment to Audited Financial Statement appearing in Annexure VIII.

Corporate and General Information	**1**
Basis of Accounting	**2**
Significant Accounting Policies	**3**
Significant Judgements and Key Estimates	**4**
Other explanatory information and notes on accounts	**39**

For and on behalf of the Board of Directors

Zircon Technologies (India) Limited

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sanjeev Sondhi
Director
(DIN 01053263)

Poonam Sondhi
Director
(DIN 01053297)

B. L. Choraria
Partner
Membership No. 022973

Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

Place: Noida (Delhi-NCR)
Date: 12th Sept'2018

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE III- RESTATED STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED
(Rs. in Million unless otherwise stated)

	Particulars	31 March, 2018	31 March, 2017	31 March, 2016 Proforma Ind AS	31 March, 2015 Proforma Ind AS	31 March, 2014 Proforma Ind AS
A	**Cash flow from operating activities**					
	Profit before tax	70.69	41.68	34.57	(5.61)	(8.92)
	Adjustments for :					
	Depreciation and amortisation expense	21.49	47.04	42.92	42.35	34.38
	Interest on borrowings	54.88	48.43	39.07	32.92	35.24
	(Gain) /Loss on Exchange fluctuation on borrowings	1.71	(0.08)	(1.23)	(0.69)	0.21
	Loss on sale of Property, Plant & Equipment	0.81	2.11	-	-	0.01
	Provision for Doubtful debts and advances	4.80	-	-	-	-
	Bad Debts	0.12	-	0.30	1.21	0.38
	Interest on Margin Money	(1.43)	(1.62)	(2.93)	(2.84)	(2.18)
	Government Grant	(0.19)	(0.21)	(0.23)	(0.25)	(0.36)
	Gain/(Loss) on unfolding of Security Deposit	(0.12)	(0.10)	0.66	-	-
	Loss/(Gain) on Remeasurement of Financial Liability	15.17	(36.95)	-	-	-
	Profit from investment in partnership firm	(11.11)	(0.11)	-	-	-
		156.81	**100.19**	**113.14**	**67.08**	**58.75**
	Changes in working capital					
	Adjustments for (increase) / decrease in operating assets:					
	Inventories	(12.94)	(13.43)	(24.07)	(21.88)	(17.45)
	Trade receivables	(23.37)	4.67	(42.32)	(33.16)	(34.43)
	Other current assets	14.04	(16.88)	8.34	(0.25)	(7.34)
	Other current financial assets	7.48	(2.21)	(7.34)	1.07	(0.86)
	Other non-current financial assets	0.81	0.33	(2.14)	(0.75)	(0.23)
	Other non current assets	(7.10)	14.45	(16.61)	(5.19)	13.22
	Adjustments for increase / (decrease) in operating liabilities:					
	Trade payables Current	63.61	(162.59)	34.23	66.34	79.67
	Trade payables Non Current	(20.00)	170.00	-	-	-
	Current Provisions	0.05	(0.06)	0.08	(0.01)	0.03
	Other current liabilities	2.03	(0.12)	2.04	(1.48)	2.28
	Other Non Current Liabilities	0.19	0.36	(0.00)	14.12	26.54
	Non Current Provisions	0.31	0.15	0.83	0.13	0.07
	Cash generated from operating activities	**181.93**	**94.86**	**66.19**	**86.03**	**120.25**
	Current taxes paid (net)	(9.35)	(8.59)	(7.11)	(0.92)	(3.58)
	Net cash generated from/ (used in) operating activities	**172.58**	**86.27**	**59.08**	**85.11**	**116.67**
B.	**Cash flow from investing activities**					
	Capital expenditure on property, plant and equipment	(60.56)	(186.95)	(16.96)	(90.87)	(133.22)
	Decrease/(Increase) in Capital Work in progress	18.11	(13.47)	(4.18)	(0.45)	-
	Sale proceeds of property, plant and equipment	-	2.27	-	-	0.03
	Investment	(6.97)	(37.30)	-	-	-
	Margin Money	(0.54)	20.13	9.07	(12.75)	(1.66)
	Interest on Fixed Deposit / Margin Money	1.43	1.62	2.93	2.84	2.18
	Profit from investment in partnership firm	11.11	0.11	-	-	-
	Net cash generated from/(used in) investing activities	**(37.43)**	**(213.60)**	**(9.15)**	**(101.23)**	**(132.67)**
C.	**Cash flow from financing activities**					
	Interest paid	(54.88)	(48.43)	(39.07)	(32.92)	(35.24)
	Proceeds from issue of share	-	-	-	-	6.95
	(Repayment) / proceeds from Current Borrowings	(62.22)	71.31	15.72	22.48	16.19
	(Repayment) / proceeds from non Current financial Borrowings	14.87	24.68	(23.83)	77.61	(21.11)
	Current financial liabilities	19.06	21.03	3.71	6.30	(11.24)
	Non Current financial liabilities	(48.61)	48.61	-	(77.00)	77.00
	Net cash generated from/(used in) financing activities	**(131.78)**	**117.20**	**(43.47)**	**(3.53)**	**32.55**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**3.38**	**(10.13)**	**6.46**	**(19.65)**	**16.55**
	Cash and cash equivalents at the beginning of the year	7.41	17.54	11.07	30.72	14.17
	Cash and cash equivalents at the end of year (Refer Note 13)	**10.79**	**7.41**	**17.54**	**11.07**	**30.72**

1) The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.
2) Figures in brackets indicate cash outflow.
3) Figures for the previous year have been regrouped wherever considered necessary.
4) Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

The above statement should be read with the below mentioned notes appearing in Annexure V & VII along with Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement of Adjustment to Audited Financial Statement appearing in Annexure VIII.

Corporate and General Information	**1**
Basis of Accounting	**2**
Significant Accounting Policies	**3**
Significant Judgements and Key Estimates	**4**
Other explanatory information and notes on accounts	**39**

The Notes are an integral part of the Financial Statements

For and on behalf of the Board of Directors

Zircon Technologies (India) Limited

In terms of our report attached
For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

B. L. Choraria
Partner
Membership No. 022973

Place: Noida (Delhi-NCR)
Date: 12th Sept'2018

Sanjeev Sondhi
Director
(DIN 01053263)

Poonam Sondhi
Director
(DIN 01053297)

Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE IV- RESTATED STANDALONE STATEMENT OF CHANGE IN EQUITY
(Rs. in Million unless otherwise stated)

a) Equity Share Capital

Balance as at 1st April 2013 Proforma Ind AS	22.16
Add: Shares Issued During the Year	-
Balance as at 31st March 2014 Proforma Ind AS	22.16
Add: Shares Issued During the Year	-
Balance as at 31st March 2015 Proforma Ind AS	22.16
Add: Shares Issued During the Year	-
Balance as at 31st March 2016 Proforma Ind AS	22.16
Add: Bonus shares issued during the year	66.47
Balance as at 31st March 2017	**88.62**
Add: Shares Issued During the Year	-
Balance as at 31st March 2018	**88.62**

b) Other Equity

	Reserve & Surplus	**Items of Other Comprehensive Income**	**Total**
	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 1st April, 2013 Proforma Ind AS	**72.28**	**-**	**72.28**
Profit for the Year	(15.58)		(15.58)
Remeasurement of defined benefit obligation		0.34	0.34
Tax Impact on Remeasurement of Defined Benefit Obligation		(0.11)	(0.11)
Balance as at 31st March, 2014 Proforma Ind AS	**56.70**	**0.23**	**56.93**

	Reserve & Surplus	**Items of Other Comprehensive Income**	**Total**
	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 1st April, 2014 Proforma Ind AS	**56.70**	**0.23**	**56.93**
Profit for the Year	0.02		0.02
Remeasurement of defined benefit obligation		(0.14)	(0.14)
Tax Impact on Remeasurement of Defined Benefit Obligation		0.04	0.04
Balance as at 31st March, 2015 Proforma Ind AS	**56.72**	**0.14**	**56.86**

	Reserve & Surplus	**Items of Other Comprehensive Income**	**Total**
	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 1st April, 2015 Proforma Ind AS	**56.72**	**0.14**	**56.86**
Profit for the Year	29.57		29.57
Remeasurement of defined benefit obligation		0.17	0.17
Tax Impact on Remeasurement of Defined Benefit Obligation		(0.05)	(0.05)
Balance as at 31st March, 2016 Proforma Ind AS	**86.30**	**0.25**	**86.55**

	Reserve & Surplus	**Items of Other Comprehensive Income**	**Total**
	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 1st April, 2016	**86.30**	**0.25**	**86.55**
Profit for the Year	24.02		24.02
Bonus Issue	(66.47)		(66.47)
Remeasurement of defined benefit obligation		1.37	1.37
Tax Impact on Remeasurement of Defined Benefit Obligation		(0.47)	(0.47)
Balance as at 31st March, 2017	**43.85**	**1.14**	**44.99**

	Reserve & Surplus	**Items of Other Comprehensive Income**	**Total**
	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2017	**43.85**	**1.14**	**44.99**
Profit for the Year	67.58		67.58
Remeasurement of defined benefit obligation		0.29	0.29
Tax Impact on Remeasurement of Defined Benefit Obligation		(0.10)	(0.10)
Balance as at 31st March, 2018	**111.43**	**1.33**	**112.76**

The above statement should be read with the below mentioned notes appearing in Annexure V & Annexure VII along with Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement of Adjustment to Audited Financial Statement appearing in Annexure VIII.

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For and on behalf of the Board of Directors

Zircon Technologies (India) Limited

The Notes are an integral part of the Financial Statements

In terms of our report attached
For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sanjeev Sondhi
Director
(DIN 01053263)

Poonam Sondhi
Director
(DIN 01053297)

B. L. Choraria
Partner
Membership No. 022973

Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

Place: Noida (Delhi-NCR)
Date: 12th Sept'2018

Note No.

1 CORPORATE AND GENERAL INFORMATION

Zircon Technologies (India) Limited is a Public Limited Company incorporated in India having its registered office at New Delhi ("National Capital Territory of Delhi,") India. It was incorporated as per the provisions of the Companies Act' 1956 as Zircon Pharma Impex Private Limited in the year 1999. In the year 2003 Name of the Company was changed to M/s Zircon Technologies Private Limited. In the year 2008, the name of the company has once again changed to Zircon Technologies (India) Limited. The Company is primarily engaged in the manufacturing of labels & Brand Security labels as its core business activity.

2 BASIS OF ACCOUNTING

2.1 Statement of Compliance

The Restated Standalone Statement of Assets and Liabilities of Zircon Technologies (India) Limited as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Statement of Profit and Loss, the Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash flows for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and Restated Other Standalone Financial Information (together referred as 'Restated Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ("the Act") to the extent applicable. The Restated Standalone Financial Information has been compiled by the Company from:

1) The audited financial statements of the Company as at and for the years ended 31 March 2018 and 31 March 2017, being the comparative period for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on 30th Aug'2018. The audited financial statements of the Company as at and for the year ended 31 March 2017, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Act and other accounting principles generally accepted in India, which had been approved by the Board of Directors at their Board meeting held on 1st September 2017. These financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016 ('transition date') and are disclosed as the comparative figures for the year ended 31 March 2018;

2) From the audited financial statements of the Company as at and for the years ended 31 March 2016 and 31 March 2015, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors at their Board meeting held on 05th September 2016 and 21st July 2015 respectively and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date ;and

3) From the audited financial statements of the Company as at and for the year ended 31 March 2014, prepared in accordance with Accounting Standards prescribed under section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006, which have been approved by the Board of Directors at their Board meeting held on 05th September 2014 and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

The Restated Financial Information mentioned in the sub paragraphs 2 and 3 above, as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Ind AS Restated Financial Information " as per the Guidance Note.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer Note 39 (12) of Annexure VII).

The Restated Standalone Financial Information has been prepared by the management for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (the "IPO") of equity shares, to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, and the concerned Stock Exchange in accordance with the requirements of:

a) Section 26 of Part I of Chapter III of “the Act”;

b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the “ICDR Regulations”) in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.

c) Guidance note on reports in Company prospectuses (revised 2016) issued by the Institute of Chartered Accountants of India.

This Restated Standalone Financial Information has been compiled by the Company (as explained above) and:

• have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;

• have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

• do not contain any extra-ordinary item that need to be disclosed separately in the Restated Financial Information and have been adjusted for qualifications, if any, in the auditor’s report in the respective financial years to which they relate. However, other remarks / comments in the Annexure to the Auditor’s report on the financial statements of the Company which do not require any corrective adjustments in the Restated Standalone Financial Information are disclosed in Annexure VII of the Restated Standalone Financial Information;

• adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Standalone Financial Statements of the Company as at and for the period ended 31 March 2018 prepared under Ind AS and the requirements of the SEBI Regulations, and

• the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective periods to which they relate.

These Restated Standalone Financial Information were authorised for issue by the Company’s Board of Directors on 12th Sept'2018

2.2 **Basis of Measurement**

The Restated Standalone Financial Informations have been prepared on historical cost basis, except for following:

- Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortized cost;

- Defined benefit plans – plan assets measured at fair value.

2.3 **Functional and Presentation Currency**

The Restated Standalone Financial Informations have been presented in Indian Rupees (INR), which is also the Company’s functional currency. All Restated Financial information presented in INR has been rounded off to the nearest millions, upto two place of decimal, unless otherwise stated as per the requirements of Schedule III of "the Act" , unless otherwise stated.

2.4 **Use of Estimates and Judgements**

The preparation of Restated Standalone Financial Informations require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the Restated Standalone Financial Informations and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

Method of depreciation applied to the assets has been reviewed in the Financial year 2017-2018 and on the basis of expected pattern of consumption of the future economic benefits embodied in the asset, the company has changed the method of depreciation on an assets from written-down-value method (WDV) to Straight-line-method on systematic basis over the useful life of the assets. Such change has been accounted for as a change in an accounting estimate in accordance with Ind AS 8.

2.5 **Current vs. Non-current classification of Assets and Liability**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

3 **SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the Restated Standalone Financial Informations are as given below. These accounting policies have been applied consistently to all the periods presented in the Restated Standalone Financial Informations.

3.1 **Inventories**

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on first in first out(FIFO) basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make it saleable. However, consumables such as finished plates and design dies are valued at amortized cost.

3.2 **Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks, cash in hand & short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.3 **Income Tax**

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in Other Comprehensive Income.

3.3.1 Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2 Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in Other Comprehensive Income (OCI) or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

- Deferred tax includes Tax Credit under section 115JAA of Income Tax Act,1961 recognized as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which Tax credit is allowed to be carried forward. The company review the "Tax Credit Entitlement" asset at each reporting date and writes down the assets to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement:

-Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

- cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.2 **Subsequent Expenditure**

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.3 **Depreciation and Amortization**

- Depreciation on property, plant and equipment assets is provided on straight line method which hitherto is provided on written down value method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of "the Act", except for the below mention category of tangible assets rates are determined based on the useful lives estimated by the management. The Company has used the following useful lives to provide depreciation on the following assets.

- The estimate of the management, supported by the independent assessment by the professional.

S.N	Category of Assets	Useful Life	Remark
1	Plant & Machinery (Used in printing and manufacturing of finished plates)	30 Years	Higher than those Indicated in schedule II of "the Act"

- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-30 years.

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use / put to Use (disposed of).

- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.

- the residual values, useful lives and methods of Depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.4.4. **Disposal of Assets**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3.4.5. **Reclassification to Investment Property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

3.4.6. **Capital Work in Progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets, Exchange fluctuation and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.5 **Leases**

3.5.1. **Determining whether an arrangement contains a lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to the date of transition, the company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

3.5.2. **Company as lessor**

- Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

- Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.5.3. **Company as Lessee**

- Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, 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 under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

- Operating Lease

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to Statement of Profit and Loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.6 **Revenue Recognition**

- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

3.6.1. **Sale of Goods**

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

3.6.2. **Interest Income**
Interest other than interest on overdue debts from customers, is recognized on time proportion basis.

3.6.3. **Dividend Income**

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

3.6.4. **Other Operating Revenue**

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

3.6.5. **Insurance claims**

Insurance claims are accounted for on acceptance or to the extent amount have been received.

3.6.6. **Profit/(Loss) from Subsidiary Partnership firm**

Share of profit /(loss) in subsidiary partnership firm is recognized in proportion of profit sharing ratio.

3.7 **Employee Benefits**

3.7.1. **Short Term Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2. **Other Long Term Employee Benefits**

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

3.7.3. **Post Employment Benefits**

The Company operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurement of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in Other Comprehensive Income. Remeasurement recognized in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

- Defined Contribution Plan

Defined contribution plans such as provident fund etc. are charged to the Statement of Profit and Loss as and when incurred.

3.8 **Government Grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognized in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognized.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets.

Government grants related to import of property, plant and equipment against export sales obligation are credited to the statement of profit and loss on systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Total grants received less amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income. Interest and Penalty if any on non-fulfilment of obligation shall be charged to Statement of Profit and Loss when the same is materialized.

3.9 **Foreign Currency Transactions**

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

-The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

3.10 **Borrowing Cost**

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

3.11 **Investment in Subsidiary**

Investments in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

3.12 Financial Instruments

A Financial instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or equity instrument of another entity.

3.12.1 Financial Assets

- Recognition and Initial Measurement:

All Financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A Financial asset is initially measured at fair value plus, in the case of Financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

- Classification and Subsequent Measurement:

For purposes of subsequent measurement, Financial assets are classified in four categories:
o Measured at Amortized Cost;
o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
o Measured at Fair Value Through Profit or Loss (FVTPL); and
o Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing Financial assets.

o Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and

- The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

o Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

o Equity Instruments measured at FVTOCI: Equity instrument in scope of Ind AS – 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.

o All other Financial instruments are classified as measured at FVTPL.

- Derecognition

The Company derecognizes a Financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the Financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- Impairment of Financial Assets

The Company assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other Financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the Financial asset has increased significantly since initial recognition.

3.12.2. **Financial Liabilities**

- Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss. Other Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

- Financial Guarantee Contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

- Derecognition

A Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

- Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.13 **Impairment of Non-Financial Assets**

-The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.14 **Provisions, Contingent Liabilities and Contingent Assets**

3.14.1. **<u>Provisions</u>**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.14.2. **<u>Contingent Liabilities</u>**

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Restated Standalone Financial Informations.

3.14.3. **<u>Contingent Assets</u>**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.15 **Intangible Assets**

3.15.1. **<u>Recognition and Measurement</u>**

Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

3.15.2. **<u>Subsequent Expenditure</u>**

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

3.15.3. **<u>Amortization</u>**

- Other Intangible assets are amortized over a period of three years.

- The amortization period and the amortization method are reviewed at least at the end of each Financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.15.4. **<u>Intangible Assets under Development</u>**

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.16 **Investment properties**

- Investment Property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

- Upon initial recognition, an investment Property is measured at cost. Subsequently they are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.

- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the Statement of Profit and Loss.

- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of "the Act''.

- Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. the net difference between the net disposal proceeds and the carrying amount of the asset is recognized in Statement of profit or loss in the period of derecognition.

3.17 **Operating Segment**

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. The operating segments have been identified on the basis of the nature of products/services, the company has single operating segments.

3.18 **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

3.19 **Exceptional Items**

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's Financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

3.20 **Measurement of Fair Values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-Financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Standalone Financial Informations are categorized within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3.21 **Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Restated Standalone Financial Informations are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the Restated Standalone Financial Informations will be given in due course.

Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).The effective date for adoption of Ind AS 115 is Restated Financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the Restated Standalone Financial Informations will be given in due course.

Amendment to Ind AS 12

Amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 40

An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in Management's intentions for the use of a property does not provide evidence of a change in use. When an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the balance sheet) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment.'' The Company is evaluating the requirements of the amendment and its impact on the financial statements.

4 **Significant Judgements and Key sources of Estimation in applying Accounting Policies**

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Restated Standalone Financial Informations is included in the following notes:

- Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- Useful lives of depreciable/ amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

- Classification of Leases: The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

- Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

- Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- Impairment of Financial Assets: The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- Allowances for Doubtful Debts: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

- Fair value measurement of Financial Instruments: When the fair values of Financial assets and Financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

- Research & Development: The revenue expenditure on R&D is charged to statement of profit & loss of the year in which it is incurred. Expenditure which results in creation of capital assets is treated similar to other fixed assets.

- Warranty : Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

- Finished Plates and design dies : Finished plates and design die are amortized/discard over a period of three years and charged to statement of profit and loss.

(Rs. in Million unless otherwise stated)

Note No. 5 Property, Plant & Equipment [Refer Note no. 39(2) and 39(13)]

	LAND - FREE HOLD	FACTORY BUILDINGS	ELECTRIC INSTALLATION	PLANT & MACHINERY	OFFICE EQUIPMENT	FURNITURE & FIXTURES	VEHICLES	COMPUTERS	Total	CAPITAL WIP	GRAND TOTAL
Gross Block as at 1st April, 2013	11.54	35.98	11.74	226.04	2.93	3.19	10.50	4.13	306.05	-	306.05
Accumulated Deprecation as at 1st April, 2013	-	6.67	2.56	59.48	0.60	0.94	5.26	3.24	78.74	-	78.74
Net deemed Cost as at 1st April'2013	11.54	29.31	9.18	166.56	2.33	2.26	5.24	0.89	227.43	-	227.43
Additions	8.78	0.00	0.44	120.25	0.00	0.28	2.01	0.52	132.28	-	132.28
Disposals	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.03	0.09	-	0.09
Balance as at 31 March, 2014	20.31	29.31	9.62	286.76	2.33	2.54	7.24	1.39	359.62	-	359.62
Additions	1.07	0.24	0.23	85.76	0.28	0.49	0.00	0.62	88.69	0.45	89.15
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2015	21.38	29.56	9.85	372.52	2.61	3.03	7.24	2.01	448.20	0.45	448.65
Additions	0.84	-	0.35	14.10	0.27	0.35	-	0.81	16.71	4.64	21.35
Disposals	-	-	-	-	-	-	-	-	-	0.45	0.45
Balance as at 31 March, 2016	22.22	29.56	10.20	386.62	2.88	3.38	7.24	2.81	464.91	4.64	469.55
Additions	-	-	8.81	175.50	0.03	1.70	-	0.57	186.61	18.11	204.72
Disposals	-	-	-	7.89	-	-	0.50	-	8.39	4.64	13.03
Balance as at 31 March, 2017	22.22	29.56	19.01	554.23	2.91	5.08	6.74	3.39	643.13	18.11	661.24
Additions	-	18.58	4.44	18.04	0.01	1.84	14.06	1.54	58.52	-	58.52
Disposals	-	1.80	-	-	-	-	-	-	1.80	18.11	19.91
Balance as at 31 March, 2018	22.22	46.33	23.45	572.27	2.92	6.92	20.80	4.93	699.85	0.00	699.85
Accumulated Depreciation											
Charged for the Year	-	2.93	1.24	25.65	0.29	0.42	1.83	0.47	32.83	-	32.83
Disposals	-	-	-	0.03	-	-	-	0.02	0.05	-	0.05
Balance as at 31 March, 2014	-	2.93	1.24	25.62	0.29	0.42	1.83	0.45	32.78	-	32.78
Charged for the Year	-	2.50	1.60	32.29	1.48	0.71	2.11	0.79	41.47	-	41.47
Disposals	-	-	-	-	-	-	-	0.05	0.05	-	0.05
Balance as at 31 March, 2015	-	5.43	2.84	57.90	1.77	1.13	3.95	1.18	74.20	-	74.20
Charged for the Year	-	2.28	1.44	36.07	0.36	0.58	1.10	0.15	41.99	-	41.99
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2016	-	7.72	4.28	93.98	2.13	1.71	5.05	1.33	116.19	-	116.19
Charged for the Year	-	2.06	0.94	40.84	0.35	0.69	0.79	0.58	46.25	-	46.25
Disposals	-	-	-	3.61	-	-	0.39	-	4.01	-	4.01
Balance as at 31 March, 2017	-	9.78	5.22	131.20	2.48	2.40	5.44	1.91	158.43	-	158.43
Charged for the Year	-	1.15	1.32	15.68	0.14	0.38	1.63	0.65	20.95	-	20.95
Disposals	-	0.99	-	-	-	-	-	-	0.99	-	0.99
Balance as at 31 March, 2018	-	9.94	6.54	146.87	2.62	2.77	7.07	2.57	178.39	-	178.39
Net carrying amount											
As at 1 April, 2013 Proforma Ind AS	11.54	29.31	9.18	166.56	2.33	2.26	5.24	0.89	227.43	-	227.43
As at 31 March, 2014 Proforma Ind AS	20.31	26.38	8.38	261.14	2.04	2.12	5.41	0.94	326.84	-	326.84
As at 31 March, 2015 Proforma Ind AS	21.38	24.12	7.01	314.61	0.84	1.91	3.30	0.83	374.00	0.45	374.45
As at 31 March, 2016 Proforma Ind AS	22.22	21.84	5.92	292.64	0.75	1.67	2.20	1.48	348.72	4.64	353.36
As at 31 March, 2017	22.22	19.78	13.79	423.03	0.43	2.68	1.30	1.48	484.70	18.11	502.81
As at 31 March, 2018	22.22	36.39	16.91	425.40	0.30	4.15	13.73	2.37	521.45	0.00	521.45

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE VI- NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
(Rs. in Million unless otherwise stated)
Note No. 6 Intangible Assets [Refer Note no. 39(13)]

	Computer Software
(At Cost)	
Balance as at 1st April, 2013	14.23
Additions	1.00
Disposals	-
Balance as at 31 March, 2014	15.23
Additions	2.24
Disposals	-
Balance as at 31 March, 2015	17.47
Additions	0.25
Disposals	-
Balance as at 31 March, 2016	17.72
Additions	0.34
Disposals	-
Balance as at 31 March, 2017	18.06
Additions	2.05
Disposals	-
Balance as at 31 March, 2018	**20.10**
Accumulated amortisation	
Balance as at 1st April, 2013	10.35
Additions	1.55
Disposals	
Balance as at 31 March, 2014	11.90
Additions	0.82
Disposals	
Balance as at 31 March, 2015	12.72
Additions	0.93
Disposals	
Balance as at 1st April, 2016	13.65
Charge for the Year	0.79
Disposals	
Balance as at 31 March, 2017	14.44
Charge for the Year	0.53
Disposals	0.00
Balance as at 31 March, 2018	**14.97**
Net carrying amount	
As at 1 April, 2013 Proforma Ind AS	3.88
As at 31 March, 2014 Proforma Ind AS	3.33
As at 31 March, 2015 Proforma Ind AS	4.75
As at 31 March, 2016 Proforma Ind AS	4.07
As at 31 March, 2017	3.62
As at 31 March, 2018	5.13

(Rs. in Million unless otherwise stated)

		As at 31st March 2018	As at 31st March 2017	As at 31st March 2016 Proforma Ind AS	As at 31st March 2015 Proforma Ind AS	As at 31st March 2014 Proforma Ind AS
NOTE 7 : INVESTMENT IN PARTNERSHIP FIRM						
Investment						
(Value at cost unless stated otherwise)						
Unquoted						
- In Subsidiary	[Refer Note: 39(14)]					
Rokani & Sons		44.28	37.30	-	-	-
Total		**44.28**	**37.30**	**-**	**-**	**-**
NOTE 8 : OTHER FINANCIAL ASSETS						
(Unsecured, considered good)						
Security Deposits		3.64	4.33	4.56	3.08	2.33
Total		**3.64**	**4.33**	**4.56**	**3.08**	**2.33**
NOTE 9 : DEFERRED TAX ASSETS (NET)						
Deferred Tax Liabilities						
Difference in WDV as per Income Tax and Companies Act		41.16	19.44	18.03	15.00	15.10
Remeasurement of financial liability		-	12.79	-	-	-
Remeasurement of defined benefit obligations		0.69	0.59	0.12	0.07	0.11
	A	**41.85**	**32.82**	**18.15**	**15.06**	**15.21**
Deferred Tax Assets						
Arising on account of timing differences in accrued expenses		1.93	0.24	0.68	0.43	0.33
Government grant - deferred income		22.10	22.10	22.10	22.10	16.14
Remeasurement of financial liability		5.25	-	-	-	-
Tax Credit Entitlement		40.45	29.37	23.15	16.52	9.92
	B	**69.73**	**51.71**	**45.94**	**39.05**	**26.39**
Deferred Tax (Liability) /Assets (Net)	**(B-A)**	**27.88**	**18.89**	**27.79**	**23.98**	**11.18**

Movement in deferred tax assets and liabilities during the year

	As at 1st April, 2013	Recognized in Profit/Loss	Recognized in OCI	As at 31 March, 2014
Deferred Tax Liabilities				
Difference in WDV as per Income Tax and Companies Act	(8.48)	6.62		15.10
Remeasurement of financial liability				0.00
Remeasurement of defined benefit obligations	-		0.11	0.11
Deferred Tax Assets				
Arising on account of timing differences in accrued expenses	-			0.33
Government grant - deferred income	-			16.14
Remeasurement of financial liability	-			0.00
	8.48	**(6.62)**	**(0.11)**	**1.26**

	As at 1st April, 2014	Recognized in Profit/Loss	Recognized in OCI	As at 31 March, 2015
Deferred Tax Liabilities				
Difference in WDV as per Income Tax and Companies Act	15.10	(0.10)		15.00
Remeasurement of financial liability	-	-		0.00
Remeasurement of defined benefit obligations	0.11		(0.04)	0.07
Deferred Tax Assets				
Arising on account of timing differences in accrued expenses	0.33	0.09		0.43
Government grant - deferred income	16.14	5.96		22.10
Remeasurement of financial liability	-			
	1.26	**6.16**	**0.04**	**7.46**

	As at 1st April, 2015	Recognized in Profit/Loss	Recognized in OCI	As at 31 March, 2016
Deferred Tax Liabilities				
Difference in WDV as per Income Tax and Companies Act	15.00	3.03		18.03
Remeasurement of financial liability	-	-		0.00
Remeasurement of defined benefit obligations	0.07		0.05	0.12
Deferred Tax Assets				
Arising on account of timing differences in accrued expenses	0.43	0.26		0.68
Government grant - deferred income	22.10	-		22.10
Remeasurement of financial liability	-			0.00
	7.46	**(2.77)**	**(0.05)**	**4.64**

	As at 1st April, 2016	Recognized in Profit/Loss	Recognized in OCI	As at 31 March, 2017
Deferred Tax Liabilities				
Difference in WDV as per Income Tax and Companies Act	18.03	1.42		19.44
Remeasurement of financial liability	0.00	12.79		12.79
Remeasurement of defined benefit obligations	0.12		0.47	0.59
Deferred Tax Assets				
Arising on account of timing differences in accrued expenses	0.68	(0.44)		0.24
Government grant - deferred income	22.10	0.00		22.10
Remeasurement of financial liability	0.00			0.00
	4.64	**(14.65)**	**(0.47)**	**(10.48)**

(Rs. in Million unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016 Proforma Ind AS	As at 31st March 2015 Proforma Ind AS	As at 31st March 2014 Proforma Ind AS

	As at 1st April, 2017	Recognized in Profit/Loss	Recognized in OCI	As at 31 March, 2018
Deferred Tax Liabilities				
Difference in WDV as per Income Tax and Companies Act	19.44	21.71		41.16
Remeasurement of financial liability	12.79	(12.79)		0.00
Remeasurement of defined benefit obligations	0.59		0.10	0.69
Deferred Tax Assets				
Arising on account of timing differences in accrued expenses	0.24	1.69		1.93
Government grant - deferred income	22.10	0.00		22.10
Remeasurement of financial liability	0.00	5.25		5.25
	(10.48)	**(1.99)**	**(0.10)**	**(12.57)**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

NOTE 10 : OTHER NON-CURRENT ASSETS

		As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good)						
Capital Advances	[Note: 39(1)(B)]	14.40	7.30	21.87	5.27	0.08
Amount Paid under Protest to Government department		0.13	0.13	-	-	-
Total		**14.53**	**7.43**	**21.87**	**5.27**	**0.08**

NOTE 11 : INVENTORIES

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
(As valued and certified by the Management)					
Raw Materials and Packing Materials etc.	64.37	39.56	33.22	33.57	30.25
Work-in-progress	8.05	6.72	3.57	3.67	1.97
Finished Goods	27.79	30.77	30.64	12.38	4.12
Stock in Trade	-	1.61	1.34	1.48	0.71
Finished Plates and Design Dies	36.38	45.46	44.38	38.33	30.13
Stores and Spares	3.89	3.42	0.95	0.62	0.97
Total	**140.48**	**127.54**	**114.11**	**90.03**	**68.15**

NOTE 12 : TRADE RECEIVABLES

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good unless otherwise stated)					
Trade Receivables	170.53	166.91	176.66	134.27	101.76
Receivables from Related Party - Zion Inc.	24.75	5.12	0.05	0.42	0.97
	195.28	172.03	176.70	134.69	102.74
Less: Provision for doubtful receivables	(3.80)	-	-	-	-
Total	**191.48**	**172.03**	**176.70**	**134.69**	**102.74**
Break Up of Trade receivables					
Secured, considered good	-	-	-	-	-
Unsecured, considered good	191.48	172.03	176.70	134.69	102.74
Doubtful	3.80	-	-	-	-
Total	195.28	172.03	176.70	134.69	102.74
Less: Provision for doubtful receivables	(3.80)	-	-	-	-
	191.48	**172.03**	**176.70**	**134.69**	**102.74**

NOTE 13 : CASH AND CASH EQUIVALENTS

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
Balances With Banks					
In Current/Cash Credit Accounts	2.97	5.60	5.30	3.06	27.24
Cash in hand	7.81	1.81	12.24	8.01	3.48
Total	**10.79**	**7.41**	**17.54**	**11.07**	**30.72**

NOTE 14 : BANK BALANCES OTHER THAN NOTE 13 ABOVE

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
Balances with Bank in Margin Money (Including Interest)	9.66	9.12	29.25	38.32	25.57
Total	**9.66**	**9.12**	**29.25**	**38.32**	**25.57**

NOTE 15 : OTHER FINANCIAL ASSETS

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good)					
Security Deposits	1.30	0.17	0.12	0.12	0.95
Insurance claim receivable	0.00	8.15	8.60	1.23	0.00
Other Receivables	2.17	2.63	0.01	0.05	1.53
Total	**3.47**	**10.95**	**8.74**	**1.40**	**2.48**

NOTE 16 : OTHER CURRENT ASSETS

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good unless otherwise stated)					
Balance with Government Authorities	0.67	14.86	3.61	9.55	7.82
Prepaid Expenses	1.72	0.74	0.88	1.45	1.22
Advance to Employees	3.27	3.72	1.51	1.62	2.03
Advances for materials and services	5.71	6.09	2.54	4.24	5.55
Less: Provision for doubtful advances	(1.00)	-	-	-	-
Total	**10.37**	**25.41**	**8.53**	**16.87**	**16.62**

(Rs. in Million unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016 Proforma Ind AS	As at 31st March 2015 Proforma Ind AS	As at 31st March 2014 Proforma Ind AS

EQUITY AND LIABILITIES

NOTE 17 : EQUITY SHARE CAPITAL

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
AUTHORISED*					
10,000,000 Equity shares of Rs. 10/-each	100.00	100.00	100.00	100.00	100.00
	100.00	**100.00**	**100.00**	**100.00**	**100.00**
ISSUED, SUBSCRIBED AND PAID-UP					
8,862,000 Equity shares of Rs. 10/- each fully paid up	88.62	22.16	22.16	22.16	22.16
Add: Bonus Share issued during the year (refer (d) below)	-	66.47	-	-	-
Total	**88.62**	**88.62**	**22.16**	**22.16**	**22.16**

*Authorised Share Capital of the Company has been increased to Rs. 210 divided into 21,000,000 equity shares of Rs. 10/- Each on 2nd June'18.

a) Reconciliation of equity shares	No of Share in millions				
Balance as at the beginning of the year	8.86	2.22	2.22	2.22	2.22
Add: Shares issued during the year	-	-	-	-	-
Bonus Issue (refer (d) below)	-	6.65	-	-	-
Balance as at the end of the year	**8.86**	**8.86**	**2.22**	**2.22**	**2.22**

b) Terms & Right of Equity shareholders

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each share holders. There is no restriction on distribution of dividend, however, the same is subject to the approval of the share holders in the Annual General Meeting except in the case of Interim Dividend.

c) Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

					Nos. on millions
Mr. Sanjeev Sondhi	8.84	8.84	2.21	2.21	2.21
(In %)	99.80%	99.80%	99.80%	99.80%	99.80%

d) Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date

The Company has allotted 6,646,500 fully paid up shares of face value Rs 10 each during the year ended 31st March 2017, pursuant to bonus issue approved by share holders in the Extra Ordinary general meeting held on 23rd Day of March 2017 and Company has allotted 3 bonus shares for every 1 shares held, on number of share 2,215,500.

e) Share holding pattern with respect of Holding or ultimate Holding company

The company doesn't have any Holding or ultimate Holding company.

NOTE 18 : OTHER EQUITY

	Refer Note					
Other Comprehensive Income	18(a)	1.33	1.14	0.25	0.14	0.23
Retained Earnings	18(b)	111.43	43.85	86.30	56.72	56.70
Total		**112.76**	**44.99**	**86.55**	**56.86**	**56.93**
(a) **Other Comprehensive Income**						
Remeasurement of Defined Benefit Plans						
As per last Financial statement		1.14	0.25	0.14	0.23	0.00
Add: During the year		0.19	0.89	0.11	(0.09)	0.23
Closing Balance		**1.33**	**1.14**	**0.25**	**0.14**	**0.23**
(b) **Retained Earnings**						
As per last Financial statement		43.85	86.30	56.72	56.70	72.28
Add : Profit during the year		67.58	24.02	29.57	(0.03)	(15.58)
Less: Bonus Issue		-	66.47	-	-	-
Add : Depreciation Impact as per Schedule III		-	-	-	0.05	-
Closing Balance		**111.43**	**43.85**	**86.30**	**56.72**	**56.70**

NOTE 19 : BORROWINGS

Term Loans (Secured)					
From Banks :					
Rupee loan					
Machinery Loans and Housing Loan [Refer Note (a)]	56.32	76.17	47.83	55.42	33.23
Vehicle Loans [Refer Note (a)]	5.81	-	-	1.25	1.71
From Others :					
Foreign Currency Loan					
ECB Loan [Refer Note (c)]	-	3.56	12.57	21.44	28.21
Rupee loan					
NBFCs [Refer Note (a)]	23.06	29.65	4.50	0.00	0.00
Buyer's Credit from NBFC [Refer Note (d)]	62.63	31.39	53.56	64.19	0.00
Term Loans (Unsecured) [Refer Note (b)]					
From Banks :					
Rupee loan	2.28	-	-	-	-
From Others :					
Rupee loan	7.92	2.38	-	-	1.54
Total Amount of Term Loans	**158.02**	**143.15**	**118.47**	**142.30**	**64.68**
Total Secured Borrowings	147.81	140.77	118.47	142.30	63.14
Total Unsecured Borrowings	10.20	2.38	-	-	1.54
Total	**158.02**	**143.15**	**118.47**	**142.30**	**64.68**

(Rs. in Million unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016 Proforma Ind AS	As at 31st March 2015 Proforma Ind AS	As at 31st March 2014 Proforma Ind AS

a) Repayment terms and nature of securities given for Indian Rupee Loans from Banks:

	Bank	Rate of Interest	Nature of Securities	Repayment Terms
i.	**Bank of India (Machinery and Housing Loan)**	2.70% over and above bank's MCLR, at the time of Sanction interest rate was 11.40% p.a.	**Primary Security** 1. Hypothecation of all Plant & Machinery. 2. Equitable mortgage of Land & Building at Khasra No. 1017, 1019 & 1021 at Industrial Area, Camp Road, Selaqui, Dehradun (50% Constructed Portion) **Collateral Security** 3. Equitable mortgage of Land & Building at Khasra No. 1017, 1019 & 1021 at Industrial Area, Camp Road, Selaqui, Dehradun (50% Constructed Portion) 4. Equitable mortgage of residential property situated at Plot No.67, Block-B, Sector-55, Noida in the name of Shri Tilak Raj Sondhi (Director/Guarantor) 5. Equitable mortgage of residential property situated at 7th Floor, Plot No.12, Pavitra Apartments, CGHS Vasundhara Enclave, New Delhi 6. Hypothecation of related Plant & Machinery of which term loans are repaid. 7. TDR equivalent to surrender value of LIC policies in the name of Mr. Sanjeev Sindhi & Mrs. Poonam Sondhi	All Machinery term loans are repayable in 60 Monthly instalments and Housing loan in 216 monthly instalments starting from July'13 and last instalment due in Aug'21 for machinery loan and May'18 to April'36 for housing loan respectively.
ii.	**Bank of India (Vehicle Loans)**	9.25% p.a.	Hypothecation of Related Vehicles together with spare tools	Repayable in 60 monthly instalments starting from Sept'17 and last instalment due in Aug'22
iii.	**ICICI Bank (Vehicle Loans)**	9.50% p.a.	Hypothecation of Related Vehicles together with spare tools	Repayable in 36 equal monthly instalments starting from May'17 and last instalment due in Apr'20
iv.	**Hero Fincorp Limited (Equipment finance)**	12.50% p.a.	Hypothecation of Related Equipments and Personal guarantee of Mr. Sanjeev Sondhi & Mrs. Poonam Sondhi	Repayable in 48 equal monthly instalments starting from October'16 and last instalment due in Sept'20
v.	**Tata Capital Financial Services Limited (Equipment finance)**	11.70% p.a.	Hypothecation of Related equipments and personal guarantee of Mr. Sanjeev Sondhi & Mrs. Poonam Sondhi	Repayable in 60 monthly instalments starting from March'17 and last instalment due in Feb'22

b) Repayment terms of Unsecured Loans taken from Banks and NBFCs:

Bank/NBFC	Nature	Rate of Interest	No. of Monthly Instalment	Repayment Terms
Aditya Birla Finance Limited	Business Loan	17.50%	36	Starting from Jun'17 & last due on May'20
Capital First Limited	Business Loan	17.50%	24	Starting from Sep'16 & last due on Aug'18
		17.00%	24	Starting from Feb'18 & last due on Jan'20
Deutsche Bank	Business Loan	12.80%	36	Starting from Apr'17 & last due on Mar'20
Edelweiss Retail Finance Limited	Business Loan	17.50%	36	Starting from Jun'17 & last due on May'20
Fullerton India Credit Co. Ltd	Business Loan	16.50%	18	Starting from Feb'18 & last due on Jul'19
HDFC Bank Ltd	Business Loan	16.50%	24	Starting from May'17 & last due on Apr'19
Indusind Bank	Business Loan	17.50%	18	Starting from May'17 & last due on Oct'18
Kotak Mahindra Bank Ltd	Business Loan	16.50%	18	Starting from Apr'17 & last due on Sep'18
		16.50%	13	Starting from Jan'18 & last due on Jan'19
Magma	Business Loan	17.00%	24	Starting from Oct'16 & last due on Sep'18

c) Agreement has been entered for purchase of machine among company, vendor and its agent/distributor whereby ECB loan in form of Supplier's credit has been provided by the vendor which is repayable in 11 half-yearly instalments starting from May'13 and last instalment due in May'18. During the period of repayment, distributor/ agent appointed by the vendor shall be granted a continuing security interest and a lien upon the equipment & the proceeds thereof, as security till all of the obligations to the seller & distributor have been met.

d) Equipment finance facility has been availed from "Tata Capital Financial Services Limited" for purchase of Machines. Initially purchase was made against LC and Buyers Credit shall be opened on the due date of LC Payment. During the Buyers Credit period the borrower shall pay the equal monthly instalment towards the principal after initial moratorium period of 12 months from the disbursal/LC Opening date (whichever is earlier). Buyers credit facility shall be maximum of 3 years with the option to revolve every year. If the option of rollover of buyer credit is not exercised, the outstanding balance shall be treated as term loan. Total Tenure from date of opening of LC to the date of last date of instalment is 72 Months. Rate of Interest is 6.40% less than Long term Lending Rate subject to minimum of 11.35% p.a. Total Facility Amounts to Rs. 123.84. The Facility is secured by hypothecation of machinery purchased and irrevocable & Unconditional personal Guarantee of Mr. Sanjeev Sondhi and Mrs. Poonam Sondhi.

NOTE 20 : TRADE PAYABLES

		As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
Trade Payables for goods and services						
- Total outstanding dues of Micro, Small and Medium enterprises	[Refer Note 39(3)]	-	-	-	-	-
- Total outstanding dues of others (Refer Note Below)		128.22	133.05	-	-	-
Total		**128.22**	**133.05**	-	-	-

Company has received a special credit facility from one of its supplier on 1st April'2016 for Rs. 170 which is repayable over a period of 4 years in according to terms of agreement. Such financial liability is remeasured as per applicable IND AS and income arising out of such remeasurement of financial liability has been charged to statement of profit or loss in the year of facility received and further such financial liability is remeasured at each financial year end and is charged to statement to profit or loss.

(Rs. in Million unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016 Proforma Ind AS	As at 31st March 2015 Proforma Ind AS	As at 31st March 2014 Proforma Ind AS
NOTE 21 : OTHER FINANCIAL LIABILITIES					
Liability for Capital Goods (Refer Note Below)	-	48.61	-	-	77.00
Total	**-**	**48.61**	**-**	**-**	**77.00**

Equipment finance facility has been availed from "Tata Capital Financial Services Limited" for purchase of Machines. Initially purchase was made against LC and Buyers Credit shall be opened on the due date of LC Payment. During the Buyers Credit period the borrower shall pay the equal monthly instalment towards the principal after initial moratorium period of 12 months from the disbursal/LC Opening date (whichever is earlier). Buyers credit facility shall be maximum of 3 years with the option to revolve every year. If the option of rollover of buyer credit is not exercised, the outstanding balance shall be treated as term loan. Total Tenure from date of opening of LC to the date of last date of instalment is 72 Months. Rate of Interest is 6.40% less than Long term Lending Rate subject to minimum of 11.35% p.a. Total Facility Amounts to Rs. 123.84. The Facility is secured by hypothecation of machinery purchased and irrevocable & Unconditional personal Guarantee of Mr. Sanjeev Sondhi and Mrs. Poonam Sondhi.

NOTE 22 : OTHER NON CURRENT LIABILITIES					
Deferred Government Grant (Refer Note Below)	65.63	65.82	66.02	66.25	52.38
Liability for Rent Equalisation A/c	0.55	0.36	-	-	-
Total	**66.18**	**66.18**	**66.02**	**66.25**	**52.38**

Deferred Revenue on Government grants includes Rs. 63.86 duty saved on import of capital goods relating to property, plant and equipment under Export Promotion Capital Goods Scheme (EPCG). Under such scheme, company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, company would be required to pay the duty saved along with interest to the regularity authorities.

In case of 3 expired licenses, company has filed application for extension of two years to fulfil export obligation which can further be extended for two more years.

NOTE 23 : PROVISIONS					
Provision for Employee Benefits					
- Gratuity	0.42	0.39	1.37	1.09	0.68
- Leave Encashment	0.26	0.27	0.51	0.12	0.26
Total	**0.68**	**0.66**	**1.88**	**1.21**	**0.94**
NOTE 24 : BORROWINGS					
From Banks (Secured)					
Rupee Loan					
Working Capital Loan [Refer (a) below]	164.38	160.83	128.51	179.32	166.95
From Banks (Unsecured)					
Rupee Loan					
Working Capital Loan [Refer (b) below]	49.86	111.12	76.64	10.11	-
Loan from Director	-	4.50	-	-	-
Total	**214.24**	**276.46**	**205.15**	**189.43**	**166.95**

Bank	Nature	Rate of Interest	Nature of Securities	Repayment Terms
(a) Bank of India	**CC Limit**	2.70% over and above bank's MCLR, at the time of Sanction interest rate was 11.40% p.a.	**Primary Security** 1. Hypothecation of Stock and Book debts **Collateral Security** 2. Equitable mortgage of Land & Building at Khasra No. 1017, 1019 & 1021 at Industrial Area, Camp Road, Selaqui, Dehradun (50% Constructed Portion) 3. Equitable mortgage of residential property situated at Plot No.67, Block-B, Sector-55, Noida in the name of Shri Tilak Raj Sondhi (Director/Guarantor) 4. Equitable mortgage of residential property situated at 7th Floor, Plot No.12, Pavitra Apartments, CGHS Vasundhara Enclave, New Delhi 5. Hypothecation of related Plant & Machinery of which term loans are repaid. 6. TDR equivalent to surrender value of LIC policies in the name of Mr. Sanjeev Sindhi & Mrs. Poonam Sondhi	Repayable on demand
(b) Yes Bank	**Channel Finance Loan**	1.55% over and above bank's MCLR	Unconditional and irrevocable personal guarantee of Mr. Sanjeev Sondhi, Mrs. Poonam Sondhi and Mr. Tilak Raj Sondhi.	If not demanded by bank earlier loan shall be Repayable within a period of 40 days.

NOTE 25 : TRADE PAYABLES						
Trade Payables for goods and services						
- Total outstanding dues of Micro, Small and Medium enterprises	[Refer Note 39(3)]	-	-	-	-	-
- Total outstanding dues of others		101.36	36.04	198.71	165.72	100.06
Total		**101.36**	**36.04**	**198.71**	**165.72**	**100.06**

NOTE 26 : OTHER FINANCIAL LIABILITIES					
Current maturities of Long Term Borrowings	78.42	62.42	38.71	31.59	35.32
Employee related Liabilities	3.45	4.01	4.69	2.44	2.47
Liability for Capital Goods	4.68	3.66	1.64	10.36	1.20
Interest accrued but not due on Borrowings	0.78	-	-	-	-
Expenses Payable	2.24	0.42	4.44	1.38	0.48
Total	**89.58**	**70.51**	**49.48**	**45.77**	**39.47**

(Rs. in Million unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016 Proforma Ind AS	As at 31st March 2015 Proforma Ind AS	As at 31st March 2014 Proforma Ind AS
NOTE 27 : OTHER CURRENT LIABILITIES					
Advances Received from Customers	0.96	0.15	0.49	0.18	3.04
Statutory Dues	10.78	9.56	9.34	7.61	6.23
Total	**11.74**	**9.71**	**9.83**	**7.79**	**9.27**
NOTE 28 : PROVISIONS					
Provision for Employee Benefits					
- Gratuity	0.00	0.01	0.07	0.01	0.02
- Leave Encashment	0.08	0.03	0.03	0.01	0.01
Total	**0.08**	**0.04**	**0.10**	**0.02**	**0.03**
NOTE 29 : CURRENT TAX LIABILITIES (NET)					
Provision for Income Tax	11.67	8.82	8.17	6.42	0.16
Total	**11.67**	**8.82**	**8.17**	**6.42**	**0.16**

(Rs. in Million unless otherwise stated)

	31st March, 2018	31st March, 2017	31st March, 2016 Proforma Ind AS	31st March, 2015 Proforma Ind AS	31st March, 2014 Proforma Ind AS
INCOME					
NOTE 30 : REVENUE FROM OPERATIONS (GROSS)					
Sale of Products	819.47	864.19	812.43	611.97	464.13
	819.47	864.19	812.43	611.97	464.13
Other Operating Revenues					
Plate development charges	0.04	0.58	-	-	3.25
Royalty	-	0.62	7.24	-	0.00
	0.04	1.21	7.24	-	3.25
	819.51	**865.40**	**819.67**	**611.97**	**467.38**
NOTE 31 : OTHER INCOME					
Interest Received (Gross)					
On Fixed Deposits/Margin Money	1.42	1.62	2.93	2.84	2.18
On Investment in associate	-	0.72	-	-	-
Others	0.06	-	-	-	-
Other Non Operating Income					
Other receipts	0.01	0.25	0.30	0.21	0.39
Insurance claim	-	1.01	7.14	0.86	0.49
Exchange Fluctuations (Net)	-	0.08	1.23	0.69	-
Government Grant	0.19	0.21	0.23	0.25	0.36
Gain/(Loss) on unfolding of Security Deposit	0.12	0.10	(0.66)	-	-
Gain on Remeasurement of Financial Liability	-	36.95	-	-	-
	1.79	**40.94**	**11.17**	**4.86**	**3.42**
EXPENSES					
NOTE 32 : COST OF MATERIALS CONSUMED					
Opening Stock	**39.56**	33.22	33.57	30.25	3.80
Add: Purchases	**499.46**	555.32	544.53	419.88	316.78
	539.02	588.54	578.10	450.13	320.59
Less: Closing Stock	**64.37**	39.56	33.22	33.57	30.25
	474.64	548.98	544.88	416.56	290.33
NOTE 33 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS					
Inventories at the beginning of the year					
Work-in-progress	6.72	3.57	3.67	1.97	6.60
Finished Goods	30.77	30.64	12.38	4.12	10.27
Stock in Trade	1.61	1.34	1.48	0.71	2.33
	39.10	**35.55**	**17.52**	**6.80**	**19.19**
Inventories at the end of the Year					
Work-in-progress	8.05	6.72	3.57	3.67	1.97
Finished Goods	27.79	30.77	30.64	12.38	4.12
Stock in Trade	**-**	1.61	1.34	1.48	0.71
	35.84	**39.10**	**35.55**	**17.52**	**6.80**
(Increase)/Decrease	**3.26**	**(3.54)**	**(18.03)**	**(10.72)**	**12.39**
NOTE 34 : EMPLOYEE BENEFITS EXPENSE					
Salaries, Wages, Bonus etc.	43.56	35.69	42.78	37.71	28.58
Contribution to Provident and Other Funds	0.32	0.20	0.35	0.37	0.39
Staff Welfare Expenses	1.43	1.36	0.84	1.63	1.10
Total	**45.31**	**37.24**	**43.97**	**39.72**	**30.07**
NOTE 35 : FINANCE COSTS					
Interest	52.45	47.46	27.15	25.61	30.61
Loss on Remeasurement of Financial Liability	15.17	-	-	-	-
Other borrowing cost	2.43	0.97	11.92	7.31	4.62
Total	**70.05**	**48.43**	**39.07**	**32.92**	**35.24**
NOTE 36 : DEPRECIATION AND AMORTISATION EXPENSE					
On Tangible Assets	20.95	46.25	41.99	41.47	32.83
On Intangible Assets	0.53	0.79	0.93	0.82	1.55
Total	**21.49**	**47.04**	**42.92**	**42.29**	**34.38**

(Rs. in Million unless otherwise stated)

	31st March, 2018	31st March, 2017	31st March, 2016 Proforma Ind AS	31st March, 2015 Proforma Ind AS	31st March, 2014 Proforma Ind AS
NOTE 37 : OTHER EXPENSES					
Manufacturing Expenses	24.83	25.64	21.03	15.56	11.99
Consumption of Die, Plate, Stores and Spare parts	37.19	17.37	14.54	10.50	8.88
Power & Fuel	18.40	18.37	16.05	12.83	9.44
Rent	6.84	6.92	5.50	4.33	3.61
Repairs to Buildings	1.40	0.92	1.08	0.50	0.06
Repairs to Plant & Equipment	3.80	4.35	6.96	7.37	1.93
Repairs to Others Assets	2.00	2.64	2.90	1.62	2.03
Insurance	1.82	1.97	2.41	2.28	1.49
Rates & Taxes	1.34	1.63	1.02	0.60	0.77
Selling & Distribution Expenses	2.70	7.20	5.11	3.67	1.59
Watch and ward	2.19	2.72	2.64	2.37	2.06
Payment to Auditors [Refer Note: 39(10)]	0.56	0.29	0.29	0.29	0.16
Bad debts Written off	0.12	-	0.30	1.21	0.38
Provision for doubtful Debts and advances	4.80	-	-	-	-
Legal, Consultancy & Professional Charges	2.03	1.39	0.93	0.99	0.78
Travelling and Conveyance Expenses	3.08	4.17	5.03	2.88	3.35
Travelling and Conveyance Expenses Foreign	0.33	0.60	0.79	0.31	0.96
Vehicle Running and Maintenance	1.90	1.91	1.78	1.60	1.60
Postage & Courier	1.15	1.03	1.11	0.95	0.87
Communication Expenses	1.51	1.26	1.15	1.23	1.37
Freight and Cartage Outward (Net)	3.60	5.32	4.34	3.46	3.07
Exchange Fluctuations (Net)	1.71	-	-	-	0.21
Loss on Sale of Property, Plant & Equipment (Net)	0.81	2.11	-	-	0.01
Miscellaneous Expenses	3.99	4.90	4.03	4.91	5.73
Total	**128.06**	**112.71**	**98.97**	**79.46**	**62.34**
NOTE 38 : TAX EXPENSE:					
Current Tax	12.20	9.23	8.87	7.18	0.91
Less : Tax Credit Entitlement U/S 115 JAA	(11.08)	(6.22)	(6.63)	(6.60)	(0.87)
Current Tax	1.12	3.01	2.23	0.58	0.04
Deferred Tax	1.99	14.65	2.77	(6.16)	6.62
	3.11	**17.66**	**5.00**	**(5.58)**	**6.67**

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39 OTHER NOTES ON ACCOUNTS

1 A. Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Liabilities not provided in respect of					
(i) Guarantees issued by bankers on behalf of Company to Government Departments	4.50	4.42	4.42	4.42	2.08
(ii) Demand for Sales Tax under appeal with Department/Tribunal/ Courts and show cause notice etc. (Deposit Under Protest- Rs. 0.13)	1.70	0.66	0.53	-	-
For FY 2012-13, company has been assessed with ex-party assessment with demand of Rs. 71.20 against which appeal filed by company has been accepted by department on 31-07-2018 for re-assessment. Further communication from department is awaited.					
(iii) TDS liability on traces	0.46	0.52	0.44	0.44	0.44
(iv) Income tax demand notice under section 245 of Income Tax Act'1961 relating to FY 2005-08 and 09-10 (Excluding Interest & Penalty)	1.25	1.25	1.25	1.25	1.25
(v) Liability with respect to duty saved on Export Promotion on Capital Goods (EPCG) licenses (Bond has been issued by the company against these licenses in the name of "the Government" amount to Rs. 185.86)					
a. Interest with respect to License expired in F.Y. 2014-15 for which two extensions each of two years has been filed by the company in current financial year which is beyond the time limit prescribed under foreign trade policy. Duty saved is Rs. 5.15. (Interest calculated on proportionate export obligation not fulfilled @18% p.a.)	4.35	-	-	-	-
b. Duty saved on 3 licenses expired before balance sheet (excluding interest) for which extension has been filed	24.38	-	-	-	-
c. Duty saved on four licenses	39.47	69.01	69.01	69.01	54.89

B. Capital commitments:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Estimated amount of contract remaining to be executed on Capital Account and not provided for (net of Advances)	6.25	1.28	95.62	-	-

2. Assets Mortgage and/or pledged as security
The carrying amount of assets Mortgage and/or pledged as security for current and non-current borrowings are :

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Current:					
Financial assets					
Trade Receivables	191.48	172.03	176.70	134.69	102.74
Inventories	140.48	127.54	114.11	90.03	68.15
Bank balances other than Note 13	9.66	9.12	29.25	38.32	25.57
Total current assets Mortgage and/or pledged as security	**341.62**	**308.68**	**320.05**	**263.04**	**196.45**
Non-current:					
Land*	22.22	22.22	13.44	13.44	13.44
Vehicles	13.73	1.30	2.20	3.30	5.41
Buildings	36.39	19.78	21.84	24.12	26.38
Plant & Machinery	425.40	423.03	292.64	314.61	261.14
Total non-current assets Mortgage and/or pledged as security	**497.74**	**466.32**	**330.12**	**355.47**	**306.37**
Total assets Mortgage and/or pledged as security	**839.36**	**775.01**	**650.17**	**618.51**	**502.82**

* Including Land mortgage to the bank for the Facility taken by Partnership firm in which the company is having 99% share in profit/(loss) of the firm.

3 . Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. As confirmed by the Management, there is no amount due to suppliers registered under MSMED Act.

4. LEASES
Disclosures for operating leases
i)The Company has entered into cancellable operating leases and transactions for leasing of accommodation for Factory Building, Service Centre, office space, Godown, transit house etc. The tenure of lease generally, vary between one to five years. Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

Lease Expenditure recognised in the Standalone Summary Statement of Profit and Loss	For the year ended March 31				
	2018	2017	2016	2015	2014
As a lessee (Expenses)					
Factory Building, Godown, Office Space, Service Centre & Transit House	**6.84**	6.92	5.50	4.33	3.61

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5. Earnings per share

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Net Profit/(Loss) After Tax for the year	**67.58**	24.02	29.57	(0.03)	(15.58)
No. of Equity Shares outstanding at the end of the year	**8.86**	8.86	2.22	2.22	2.22
Weighted average Number of Equity Shares for computing **Basic** Earnings per share*	**14.77**	14.77	14.77	14.77	14.02
Weighted average Number of Equity Shares for computing **Diluted** Earnings per share*	**14.77**	14.77	14.77	14.77	14.02
Face value of per share **(In Rs.)**	**10.00**	10.00	10.00	10.00	10.00
-Basic EPS	4.58	1.63	2.00	-0.00	-1.11
-Diluted EPS	4.58	1.63	2.00	-0.00	-1.11

*Company has issued 66,46,500 Nos. of Bonus Shares on 31-03-2017 and 59,08,000 Bonus Shares on 12-08-2018 which has been considered for calculation of Basic and Diluted EPS for the all the years reported.

6. The following table shows foreign currency exposures on financial instruments at the end/beginning of respective years.

Particulars	As at March 31,									
	2018	2018	2017	2017	2016	2016	2015	2015	2014	2014
	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged
Term Loan (USD)	**0.06**	-	0.19	-	0.32	-	0.45	-	0.55	-
Term Loan (INR)	**4.21**	-	12.57	-	21.44	-	28.21	-	33.06	-
Buyer's Credit (USD)	**0.63**	-	-	-	-	-	-	-		-
Buyer's Credit (INR)	**40.72**	-	-	-	-	-	-	-		-
Buyer's Credit (Euro)	**0.46**	-	0.55	-	0.92	-	0.96	-		-
Buyer's Credit (INR)	**36.83**	-	37.79	-	64.43	-	64.19	-		-
Creditors (USD)	**0.04**	-	0.79	-	0.01	-	0.15	-	0.01	-
Creditors (INR)	**2.77**	-	51.33	-	0.68	-	9.64	-	0.70	-
Creditors (Euro)	**0.01**	-	0.01	-	0.01	-	0.03	-	0.94	-
Creditors (INR)	**0.59**	-	0.88	-	0.47	-	2.15	-	77.28	-
Debtors (USD)	**0.00**	-	0.01	-	0.01	-	0.01	-	0.01	-
Debtors (INR)	**0.18**	-	0.78	-	0.96	-	0.65	-	0.59	-

7. Fair value of Financial assets & Financial liabilities (current & non current)
(A) Financial Instrument by Category

Particulars	As at March 31,								
	2018			2017			2016		
	Fair Value through Profit & Loss (FVTPL)	Fair Value through OCI (FVTOCI)	Amortised Cost	Fair Value through Profit & Loss (FVTPL)	Fair Value through OCI (FVTOCI)	Amortised Cost	Fair Value through Profit & Loss (FVTPL)	Fair Value through OCI (FVTOCI)	Amortised Cost
Financial Asset									
Non Current									
Other(Security deposits)			3.64			4.33			4.56
Current									
Trade Receivables			191.48			172.03			176.70
Cash and Cash Equivalents			10.79			7.41			17.54
Bank balances other than above			9.66			9.12			29.25
Others			3.47			10.95			8.74
Total of Financial Assets	**-**	**-**	**219.03**	**-**	**-**	**203.84**	**-**	**-**	**236.78**
Financial Liabilities									
Non Current									
Borrowings			158.02			143.15			118.47
Trade payables			128.22			133.05			-
Others			-			48.61			-
Current									
Borrowings			214.24			276.46			205.15
Trade Payables			101.36			36.04			198.71
Current maturities of Long Term Debts			78.42			62.42			38.71
Employee Related Liabilities			3.45			4.01			4.69
Liability for capital goods			4.68			3.66			1.64
Expenses Payable			2.24			0.42			4.44
Interest accrued but not due on Borrowings			0.78			-			-
Financial Liabilities	**-**	**-**	**691.41**	-	-	**707.81**	-	-	**571.81**

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Particulars	As at March 31,					
	2015			2014		
	Fair Value through Profit & Loss (FVTPL)	Fair Value through OCI (FVTOCI)	Amortised Cost	Fair Value through Profit & Loss (FVTPL)	Fair Value through OCI (FVTOCI)	Amortised Cost
Financial Asset						
Non Current						
Trade Receivables						
Other(Security deposits)			3.08			2.33
Current						
Trade Receivables			134.69			102.74
Cash and Cash Equivalents			11.07			30.72
Bank balances other than above			38.32			25.57
Others			1.40			2.48
Total of Financial Assets	**-**	**-**	**188.56**	**-**	**-**	**163.83**
Financial Liabilities						
Non Current						
Borrowings			142.30			64.68
Trade payables			-			-
Other Financial Liabilities						77.00
Current						
Borrowings			189.43			166.95
Trade Payables			165.72			100.06
Current maturities of Long Term Debts			31.59			35.32
Employee Related Liabilities			2.44			2.47
Liability for capital goods			10.36			1.20
Expenses Payable			1.38			0.48
Interest accrued but not due on Borrowings			-			-
Financial Liabilities	**-**	**-**	**543.21**	**-**	**-**	**448.16**

Fair Value Hierarchy

B)Financial Assets and liabilities measured at fair value – recurring fair value measurements (Sector wise Disclosure)

Particular	31.03.2014 to 31.03.2018		
	Level 1	Level 2	Level 3
Financial Assets			
FVTPL			
Security Deposit	NA	NA	NA
Financial Liabilities			
FVTPL			
Trade Payable - Non Current	NA	NA	NA

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.
There are no transfers between levels 1 and 2 during the year.

Valuation technique used to determine fair value:
Specific valuation techniques used to value financial instruments include:
-the use of quoted market prices or dealer quotes for similar instruments
-the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
-the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
-All of the resulting fair value estimates are included in level 2

Valuation processes
1. The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).
2. Discussions of valuation processes and results are held between the CFO and the valuation team yearly

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Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the yearly valuation discussion between the CFO and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

C)Fair Value of Financial Assets & Liabilities measured at amortized cost

Particulars	As at March 31,2018		As at March 31,2017		As at March 31,2016		As at March 31,2015		As at March 31,2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Asset										
Non Current										
Others(Security Deposit)	4.08	3.64	4.89	4.33	5.22	4.56	3.08	3.08	2.33	2.33
Current										
Trade Receivables	191.48	191.48	172.03	172.03	176.70	176.70	134.69	134.69	102.74	102.74
Cash and Cash Equivalents	10.79	10.79	7.41	7.41	17.54	17.54	11.07	11.07	30.72	30.72
Bank balances other than Cash & Cash Equivalent	9.66	9.66	9.12	9.12	29.25	29.25	38.32	38.32	25.57	25.57
Others	3.47	3.47	10.95	10.95	8.74	8.74	1.40	1.40	2.48	2.48
Total Financial Assets	**219.47**	**219.03**	**204.39**	**203.84**	**237.44**	**236.78**	**188.56**	**188.56**	**163.83**	**163.83**
Financial Liabilities										
Non Current										
Borrowings	158.02	158.02	143.15	143.15	118.47	118.47	142.30	142.30	64.68	64.68
Trade payables	150.00	128.22	170.00	133.05	-	-	-	-	-	-
Others	-	-	48.61	48.61	-	-	-	-	-	77.00
Current										
Borrowings	214.24	214.24	276.46	276.46	205.15	205.15	189.43	189.43	166.95	166.95
Trade Payables	101.36	101.36	36.04	36.04	198.71	198.71	165.72	165.72	100.06	100.06
Current maturities of Long Term Debts	78.42	78.42	62.42	62.42	38.71	38.71	31.59	31.59	35.32	35.32
Employee Related Liabilities	3.45	3.45	4.01	4.01	4.69	4.69	2.44	2.44	2.47	2.47
Liability for capital goods	4.68	4.68	3.66	3.66	1.64	1.64	10.36	10.36	1.20	1.20
Expenses Payable	2.24	2.24	0.42	0.42	4.44	4.44	1.38	1.38	0.48	0.48
Interest accrued but not due on Borrowings	0.78	0.78	-	-	-	-	-	-	-	-
Financial Liabilities	**713.19**	**691.41**	**744.76**	**707.81**	**571.81**	**571.81**	**543.21**	**543.21**	**371.16**	**448.16**

- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values except for the non current trade payables & security deposits.

8. SUMMARY STATEMENT OF STANDALONE FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash & cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market, credit and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

A) Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers .
The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE VII- OTHER EXPLANATORY INFORMATION AND NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION
(Rs. in Million unless otherwise stated)

The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

Most of the Company’s customers have been transacting with the Company for over four years, and no significant impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

Ageing of trade receivables are as under:-

Particulars	Less than 6 Months	6-12 Months	More than 12 Months	Total
As at 31st March'2018	187.14	2.68	1.66	**191.48**
As at 31st March'2017	153.33	4.58	14.13	**172.03**
As at 31st March'2016	169.33	2.45	4.92	**176.70**
As at 31st March'2015	130.24	1.70	2.75	**134.69**
As at 31st March'2014	98.67	0.66	3.40	**102.74**

The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

Reconciliation of loss allowance provision – Trade receivables

	As at 31st March'2018	As at 31st March'2017	As at 31st March'2014	As at 31st March'2015	As at 31st March'2014
Opening balances	-	-	-	-	-
Addition during the year	3.80	-		-	-
Closing balance	**3.80**	-	-	-	-

Reconciliation of loss allowance provision – Advances

	As at 31st March'2018	As at 31st March'2017	As at 31st March'2014	As at 31st March'2015	As at 31st March'2014
Opening balances	-	-	-	-	-
Addition during the year	1.00	-		-	-
Closing balance	**1.00**	-	-	-	-

B) Liquidity Risk

1. The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.
2. The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

Maturities of financial liabilities

As on 31.03.2018

Financial Liabilities	Less than 1 Year	1 - 3 years	3 - 5 years	Above 5 years	Total
Short term borrowings	214.24	-	-	-	214.24
Trade Payables	166.74	62.84	-	-	229.58
Long Term Borrowings including current maturities	78.42	118.58	33.49	5.94	236.43
Other Financial Liabilities	11.16	-	-	-	11.16

As on 31.03.2017

Financial Liabilities	Less than 1 Year	1 - 3 years	3 - 5 years	Above 5 years	Total
Short term borrowings	276.46	-	-	-	276.46
Trade Payables	40.87	128.22	-	-	169.09
Long Term Borrowings including current maturities	62.42	97.63	45.52	-	205.57
Other Financial Liabilities	16.13	39.81	0.76	-	56.70

As on 31.03.2016

Financial Liabilities	Less than 1 Year	1 - 3 years	3 - 5 years	Above 5 years	Total
Short term borrowings	205.15	-	-	-	205.15
Trade Payables	198.71	-	-	-	198.71
Long Term Borrowings including current maturities	38.71	74.37	43.05	1.04	157.18
Other Financial Liabilities	10.77	-	-	-	10.77

(Rs. in Million unless otherwise stated)

As on 31.03.2015

Financial Liabilities	Less than 1 Year	1 - 3 years	3 - 5 years	Above 5 years	Total
Short term borrowings	189.43	-	-	-	189.43
Trade Payables	165.72	-	-	-	165.72
Long Term Borrowings including current maturities	31.59	82.35	45.46	14.48	173.88
Other Financial Liabilities	4.54	9.64	-	-	14.18

As on 31.03.2014

Financial Liabilities	Less than 1 Year	1 - 3 years	3 - 5 years	Above 5 years	Total
Short term borrowings	166.95	-	-	-	166.95
Trade Payables	100.06	-	-	-	100.06
Long Term Borrowings including current maturities	35.32	52.71	11.97	-	100.00
Other Financial Liabilities	16.97	2.28	29.03	32.87	81.15

C) Market Risk Management
I. Foreign Currency Risk

1. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company's board of directors reviews the currency rates in volatile foreign exchange markets on regular basis to ensure the foreign currency exposure are in prescribed limit .

(a) Foreign currency risk exposure

Particulars	As at March 31,2018		As at March 31,2017		As at March 31,2016		As at March 31,2015		As at March 31,2014	
	USD	Euro	USD	Euro	USD	Euro	USD	Euro	USD	Euro
Financial Assets	0.18	-	0.78	-	0.96	-	0.65	-	0.59	-
Financial Liabilities	47.71	37.43	63.90	38.67	22.12	64.89	37.85	66.34	33.76	77.28
Net Exposure	**(47.53)**	**(37.43)**	**(63.13)**	**(38.67)**	**(21.17)**	**(64.89)**	**(37.19)**	**(66.34)**	**(33.17)**	**(77.28)**

(b) Sensitivity

Particulars	Sensitivity Analysis	Impact on PAT				
		March 31,2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
USD Sensitivity (Increase)	0.09	(2.86)	(3.80)	(1.28)	(2.24)	(2.00)
USD Sensitivity (Decrease)	0.09	2.86	3.80	1.28	2.24	2.00
Euro Sensitivity (Increase)	0.04	(1.00)	(1.04)	(1.74)	(1.78)	(2.07)
Euro Sensitivity (Decrease)	0.04	1.00	1.04	1.74	1.78	2.07

(c) Sensitivity

Particulars	Sensitivity Analysis	Impact on Other Equity				
		March 31,2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
USD Sensitivity (Increase)	0.09	(2.86)	(3.80)	(1.28)	(2.24)	(2.00)
USD Sensitivity (Decrease)	0.09	2.86	3.80	1.28	2.24	2.00
Euro Sensitivity (Increase)	0.04	(1.00)	(1.04)	(1.74)	(1.78)	(2.07)
Euro Sensitivity (Decrease)	0.04	1.00	1.04	1.74	1.78	2.07

II. Cash flow and Interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow and interest rate risk. The group's borrowings at variable rate were mainly denominated in INR.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a) Interest rate risk exposure

Particulars	March 31,2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Variable Rate borrowings	214.24	276.46	205.15	189.43	166.95
Fixed Rate Borrowings	236.43	205.57	157.18	173.88	100.00

b) Sensitivity Analysis

Particulars	Impact on PAT				
	March 31,2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Interest Rate – increase by 50 basis points	0.72	0.93	0.69	0.63	0.56
Interest Rate – decrease by 50 basis points	(0.72)	(0.93)	(0.69)	(0.63)	(0.56)

Particulars	Impact on Equity				
	March 31,2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Interest Rate – increase by 50 basis points	0.72	0.93	0.69	0.63	0.56
Interest Rate – decrease by 50 basis points	(0.72)	(0.93)	(0.69)	(0.63)	(0.56)

(Rs. in Million unless otherwise stated)

III) Price Risk
The entity do not have any investment in quoted securities or other equity instruments except for investments in group entities. Thus, the company is not exposed to any price risk.

9. CAPITAL MANAGEMENT

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	March 31,2018	March 31,2017	March 31,2016	March 31,2015	March 31,2014
Net Debt	439.88	474.61	344.79	352.24	236.23
Total Equity	201.38	133.61	108.70	79.02	79.09
Debt Equity Ratio	2.18	3.55	3.17	4.46	2.99

10. PAYMENT TO AUDITORS:

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Audit Fees	0.35	0.15	0.15	0.15	0.09
Tax Audit Fees	0.10	0.05	0.05	0.05	0.04
Out of pocket expenses	0.01	0.01	0.00	0.00	0.00
Certification fees	0.10	0.08	0.08	0.09	0.03
Total	**0.56**	**0.29**	**0.29**	**0.29**	**0.16**

* includes payment to previous auditor amounting to Rs. 0.04 in financial year 2018

11. EMPLOYEE BENEFITS
Defined Contribution Plan
a) Provident Fund & Other Funds : A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Contribution towards Provident Fund & other Funds	0.32	0.20	0.35	0.37	0.39

Defined Benefits Plan
Gratuity: The liability in respect of defined benefit plans includes Gratuity liability as per the provisions of the Payment of Gratuity Act, 1972 which is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. The company's obligation includes actuarial risk and investment risk. Actuarial gains and losses in respect of post-employment are charged to the Statement of Profit and Loss.

Assumptions

Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Mortality	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08
Future Salary Increase (Per Annum)	5.00%	5.00%	5.00%	5.00%	5.00%
Discount rate (Per Annum)	7.50%	7.50%	8.00%	8.00%	9.00%
Withdrawal rate (Per Annum)	21.00%	7.00%	2.00%	2.00%	2.00%

Change in Net Defined Benefit Obligation

Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Liability at the beginning of the year	0.40	1.44	1.10	0.69	0.73
Interest Costs	0.03	0.11	0.09	0.06	0.07
Current Service Costs	0.29	0.26	0.42	0.37	0.24
Benefits paid	-	(0.05)	-	(0.16)	-
Actuarial (Gain)/Loss on obligations due to change in Obligation	(0.29)	(1.37)	(0.17)	0.14	(0.34)
Liability at the end of the year	**0.42**	**0.40**	**1.44**	**1.10**	**0.69**

Net interest Cost

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Interest Cost	0.03	0.11	0.09	0.06	0.07
Total	**0.03**	**0.11**	**0.09**	**0.06**	**0.07**

Service Cost

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Current Service Cost	0.29	0.26	0.42	0.37	0.24
Total	**0.29**	**0.26**	**0.42**	**0.37**	**0.24**

(Rs. in Million unless otherwise stated)

Actuarial (Gain)/Loss on obligation

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.07)	0.03	-	0.10	(0.06)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(0.22)	(1.39)	(0.17)	0.04	(0.29)

Balance sheet and related analysis

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Present Value of the obligation at end	0.42	0.40	1.44	1.10	0.69
Unfunded Liability/provision in Balance Sheet	(0.42)	(0.40)	(1.44)	(1.10)	(0.69)
Unfunded Liability recognised in Balance Sheet	**(0.42)**	**(0.40)**	**(1.44)**	**(1.10)**	**(0.69)**

Amount recognised in Statement of Profit and Loss

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Service Cost	0.29	0.26	0.42	0.37	0.24
Net Interest Cost	0.03	0.11	0.09	0.06	0.07
Expense recognised in statement of profit and loss	**0.32**	**0.37**	**0.51**	**0.43**	**0.30**

Other Comprehensive Income (OCI)

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Actuarial Gain or (Loss) for the year on PBO	0.29	1.37	0.17	(0.14)	0.34
Unrecognized actuarial gain/(loss) at the end of the year	**0.29**	**1.37**	**0.17**	**(0.14)**	**0.34**

Expected contribution for the next Annual reporting period

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Contribution during the next year	0.52	0.55	0.52	0.50	Not Available
Expected Expense for the next annual reporting period	**0.52**	**0.55**	**0.52**	**0.50**	Not Available

Sensitivity Analysis

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
a) Impact of the change in discount rate					
Present Value of Obligation at the end of the period	0.42	0.40	1.44	1.10	Not Available
Impact due to increase of 1.00 %	(0.02)	(0.03)	(0.19)	(0.15)	
Impact due to decrease of 1.00 %	0.02	0.04	0.24	0.18	
b) Impact of the change in salary increase					
Present Value of Obligation at the end of the period	0.42	0.40	1.44	1.10	Not Available
Impact due to increase of 1.00 %	0.02	0.04	0.25	0.19	
Impact due to decrease of 1.00 %	0.02	(0.04)	(0.20)	(0.15)	
c) Impact of the change in withdrawal Rate					
Present Value of Obligation at the end of the period	0.42	0.40	1.44	1.10	Not Available
Impact due to increase of 1.00 %	(0.02)	(0.00)	0.07	0.05	
Impact due to decrease of 1.00 %	0.02	0.00	(0.08)	(0.06)	

- Significant actuarial assumption for the determination of defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible.

Maturity Profile of Defined Benefit Obligation

2017-18		2016-17		2015-16		2014-15	
Year	Amount	Year	Amount	Year	Amount	Year	Amount
Apr 2018- Mar 2019	0.00	Apr 2017- Mar 2018	0.01	Apr 2016- Mar 2017	0.08	Apr 2015- Mar 2016	0.06
Apr 2019- Mar 2020	0.00	Apr 2018- Mar 2019	0.01	Apr 2017- Mar 2018	0.04	Apr 2016- Mar 2017	0.02
Apr 2020- Mar 2021	0.01	Apr 2019- Mar 2020	0.02	Apr 2018- Mar 2019	0.04	Apr 2017- Mar 2018	0.03
Apr 2021- Mar 2022	0.21	Apr 2020- Mar 2021	0.02	Apr 2019- Mar 2020	0.05	Apr 2018- Mar 2019	0.03
Apr 2022- Mar 2023	0.23	Apr 2021- Mar 2022	0.04	Apr 2020- Mar 2021	0.05	Apr 2019- Mar 2020	0.04
Apr 2023 onwards	0.64	Apr 2022 onwards	0.54	Apr 2021 onwards	2.14	Apr 2020 onwards	1.66

Description of Risk Exposure:
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

12. Transition to Ind AS

12.1 Basis for Preparation

For all period up to and including the year ended 31st March, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

12.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain IND AS, effective for 1st April, 2016 opening balance sheet. In preparing these Standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

12.2.1 Optional Exemptions Availed

a. Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Standard has not been applied to acquisitions of subsidiaries, which are considered businesses for Ind AS, or of interests in associates that occurred before the transition date i.e., 1st April, 2016.

b. Property Plant and Equipment, Intangible Assets

As permitted by para D5-D8B of Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets.

c. Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transitional provision and has assessed all the arrangements at the date of transition.

d. Investments in Subsidiaries

As permitted by para D14 & D15 of Ind AS 101, the Company has elected to measure the investment in subsidiary at Deemed Cost calculated at the previous GAAP carrying amount, as the company has elected to measure such investments at Cost under Ind AS 27 "Separate Financial Statements".

12.2.2 Mandatory Exceptions

a. Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period. The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below :

- Fair Valuation of financial instruments carried at FVTPL and/ or FVTOCI.

b. De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initial accounting for those transactions. The company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c. Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

(Rs. in Million unless otherwise stated)

12.3 Transition to Ind AS - Reconciliations
The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101 :
1. Reconciliation of material items of Balance sheet as at 1st April, 2016 (Transition Date) and as at 31st March, 2017
2. Reconciliation of Statement of Profit & Loss for the year ended 31st March, 2017
3. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017
4. Adjustments to Statement of Cash Flows
The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP

As on 31st March'2017

		Indian GAAP	IND AS Reclassification	IND AS Adjustments	Ind AS	Restatement Adjustments	Restated IND AS
I	**ASSETS**						
A	**Non-current Assets**						
	(a) Property Plant and Equipment	508.64	(0.00)	(21.41)	487.23	(2.52)	484.70
	(b) Capital work-in-progress	18.11	-		18.11		18.11
	(c) Intangible assets	3.62	(0.00)		3.62		3.62
	(d) Financial Assets		-				
	(i) Investments		37.20	1.08	38.28	**(0.97)**	37.30
	(ii) Loans & advances	13.58	(13.58)				
	(iii) Others Financial Assets	0.00	4.33		4.33		4.33
	(e) Deferred tax assets (net)	(3.69)	29.37	0.44	26.12	(6.20)	18.89
	(f) Other non-current assets	3.26	8.93	(4.77)	7.43		7.43
	Total	**543.51**	**66.25**	**(24.66)**	**585.11**	**(9.70)**	**574.38**
B	**Current Assets**						
	(a) Inventories	110.45	(0.00)		110.45	17.09	127.54
	(b) Financial Assets		-				
	(i) Investments	37.20	(37.20)				
	(ii) Trade receivables	197.95	(0.09)		197.86	(25.83)	172.03
	(iii) Cash and cash equivalents	13.23	(5.82)		7.41		7.41
	(iv) Bank Balances Other than (iii) above		9.12		9.12		9.12
	(v) Loans & advances	79.25	(79.25)				
	(vi) Others Financial Assets		10.95		10.95		10.95
	(c) Other Current Assets	13.21	14.83		28.04	(2.63)	25.41
	Total	**451.27**	**(87.45)**	**-**	**363.83**	**(11.38)**	**352.45**
	TOTAL	**994.79**	**(21.19)**	**(24.66)**	**948.94**	**(21.08)**	**926.83**
II	**EQUITY AND LIABILITIES**						
A	**Equity**						
	(a) Equity Share Capital	88.62	-		88.62		88.62
	(b) Other Equity	124.40	-	(55.94)	68.47	(23.47)	44.99
	Total	**213.02**	**0.00**	**(55.94)**	**157.09**	**(23.47)**	**133.61**
B	**Non-current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	253.59	(105.94)		147.65		143.15
	(ii) Other financial liabilities		48.61		48.61		48.61
	(iii) Trade Payables		170.00	(36.95)	133.05		133.05
	(b) Provisions	0.70	(0.04)		0.66		0.66
	(c) Other long term liability	269.81	(269.81)	66.18	66.18		66.18
	Total	**524.09**	**(157.17)**	**29.23**	**396.15**	**0.00**	**391.65**
C	**Current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	160.83	111.12		271.96		276.46
	(ii) Trade payables						
	Total outstanding dues of creditors other than micro and small enterprises	28.14	9.96		38.10	(2.06)	36.04
	(iii) Other financial liabilities		70.09		70.09		70.51
	(b) Other current liabilities	41.20	(33.97)	2.05	9.28	0.85	9.71
	(c) Provisions	27.50	(27.46)		0.04		0.04
	(d) Current Tax Liabilities	0.00	6.24	-	6.24	3.61	8.82
	Total	**257.67**	**135.98**	**2.05**	**395.70**	2.40	**401.57**
	TOTAL	**994.79**	**(21.19)**	**(24.66)**	**948.94**	**(21.08)**	**926.83**

ZIRCON TECHNOLOGIES (INDIA) LIMITED

ANNEXURE VII- OTHER EXPLANATORY INFORMATION AND NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION

(Rs. in Million unless otherwise stated)

As on 31st March'2016

		Indian GAAP	IND AS Reclassification	IND AS Adjustments	Ind AS	Restatement Adjustments	Restated IND AS
I	**ASSETS**						
A	**Non-current Assets**						
	(a) Property Plant and Equipment	342.94	0.00	5.78	348.72		348.72
	(b) Capital work-in-progress	4.64	-		4.64		4.64
	(c) Other Intangible assets	4.07	(0.00)		4.07		4.07
	(d) Financial Assets						
	(i) Investments		-		-		
	(ii) Trade receivable		-				
	(iii) Loans and advances	14.77	(14.77)		-		
	(iv) Others Financial Assets	0.00	4.56	-	4.56		4.56
	(e) Deferred tax assets (net)	(3.89)	23.15	0.91	20.18	8.64	27.79
	(f) Other non-current assets	3.22	23.52	(4.87)	21.87		21.87
	Total	**365.76**	**36.46**	**1.81**	**404.03**	**8.64**	**411.65**
B	**Current Assets**						
	(a) Inventories	94.00	-		94.00	20.10	114.11
	(b) Financial Assets						
	(i) Investments		-				
	(ii) Trade receivables	206.33	0.85		207.19	(29.48)	176.70
	(iii) Cash and cash equivalents	43.56	(26.03)		17.54		17.54
	(iv) Bank Balances Other than (iii) above		29.25		29.25		29.25
	(v) Loans and advances	50.52	(50.52)		0.00		
	(vi) Others financial assets		8.74		8.74		8.74
	(c) Other Current Assets	10.54	(1.01)		9.53	(2.00)	8.53
	(d) Current Tax Assets						
	Total	**404.96**	**(38.72)**	**0.00**	**366.24**	**(11.38)**	**354.86**
	TOTAL	**770.72**	**(2.26)**	**1.81**	**770.28**	**(2.74)**	**766.51**
II	**EQUITY AND LIABILITIES**						
A	**Equity**						
	(a) Equity Share Capital	22.16	-		22.16		22.16
	(b) Other Equity	152.91	-	(66.26)	86.66	(0.11)	86.55
	Total	**175.07**	**-**	**(66.26)**	**108.81**	**(0.11)**	**108.70**
B	**Non-current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	135.61	(6.28)		129.33		118.47
	(b) Provisions	1.98	(0.10)		1.88		1.88
	(d) Other non-current liability	244.85	(244.85)	66.02	66.02		66.02
	Total	**382.44**	**(251.23)**	**66.02**	**197.23**	**-**	**186.37**
C	**Current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	128.51	76.64		205.15		205.15
	(ii) Trade payables						
	Total outstanding dues of micro enterprises and small enterprises		-				
	Total outstanding dues of creditors other than micro enterprises and small enterprises	33.11	4.70		37.82	(6.68)	198.71
	(iii) Other financial liabilities		201.68		201.68	0.08	49.48
	(b) Other current liabilities	33.09	(21.48)	2.05	13.67	0.60	9.83
	(c) Provisions	18.50	(18.40)		0.10		0.10
	(d) Current Tax Liabilities	0.00	5.83	-	5.83	3.38	8.17
	Total	**213.21**	**248.97**	**2.05**	**464.23**	**(2.63)**	**471.44**
	TOTAL	**770.72**	**(2.26)**	**1.81**	**770.28**	**(2.74)**	**766.51**

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE VII- OTHER EXPLANATORY INFORMATION AND NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION
(Rs. in Million unless otherwise stated)

As on 31st March'2015

		Indian GAAP	IND AS Reclassification	INDAS Adjustments	Ind AS	Restatement Adjustments	Restated IND AS
I	**ASSETS**						
A	**Non-current Assets**						
	(a) Property Plant and Equipment	357.55	(0.00)	16.45	374.00		374.00
	(b) Capital work-in-progress	0.45	-		0.45		0.45
	(c) Other Intangible assets	4.75	(0.00)		4.75		4.75
	(d) Financial Assets						
	(i) Investments		-				
	(ii) Trade receivable		-				
	(iii) Loans	-	-		-		
	(iv) Others Financial Assets		3.08	-	3.08		3.08
	(e) Deferred tax assets (net)	(3.30)	15.49	0.96	13.15	10.83	23.98
	(f) Other non-current assets	3.22	6.26	(4.21)	5.27		5.27
	Total	**362.67**	**24.83**	**13.20**	**400.70**	**10.83**	**411.53**
B	**Current Assets**						
	(a) Inventories	81.34	-		81.34	8.69	90.03
	(b) Financial Assets						
	(i) Investments		-				
	(ii) Trade receivables	156.42	(0.97)		155.45	(20.76)	134.69
	(iii) Cash and cash equivalents	46.17	(35.10)		11.07		11.07
	(iv) Bank Balances Other than (iii) above		38.32		38.32		38.32
	(v) Loans	50.43	(50.43)				
	(vi) Others		1.40		1.40		1.40
	(c) Other Current Assets	2.53	15.18		17.72	(0.84)	16.87
	Total	**336.89**	**(31.59)**	**0.00**	**305.30**	**(12.91)**	**292.39**
	TOTAL	**699.56**	**(6.80)**	**13.20**	**706.00**	**(2.05)**	**703.91**
II	**EQUITY AND LIABILITIES**						
A	**Equity**						
	(a) Equity Share Capital	22.16	-		22.16		22.16
	(b) Other Equity	115.71	0.00	(55.10)	60.61	(3.75)	56.86
	Total	**137.86**	**0.00**	**(55.10)**	**82.76**	**(3.75)**	**79.02**
B	**Non-current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	73.22	69.08		142.30		142.30
	(ii) Trade Payables		-		-		
	(b) Provisions	1.21	-		1.21		1.21
	(d) Other non-current liability	104.55	(104.55)	66.25	66.25		66.25
	Total	**178.98**	**(35.48)**	**66.25**	**209.75**		**209.75**
C	**Current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	179.32	10.11		189.43		189.43
	(ii) Trade payables						
	Total outstanding dues of micro enterprises and small enterprises						
	Total outstanding dues of creditors other than micro enterprises and small enterprises	157.83	9.52		167.36	(1.64)	165.72
	(iii) Other financial liabilities		44.39		44.39		45.77
	(b) Other current liabilities	35.04	(28.75)	2.05	8.34	0.83	7.79
	(c) Provisions	10.52	(10.50)		0.02		0.02
	(d) Current Tax Liabilities	0.00	3.91	0.00	3.91	2.51	6.42
	Total	**382.72**	**28.68**	**2.05**	**413.44**	**1.70**	**415.15**
	TOTAL	**699.56**	**(6.80)**	**13.20**	**706.00**	**(2.05)**	**703.91**

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE VII- OTHER EXPLANATORY INFORMATION AND NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION
(Rs. in Million unless otherwise stated)

As on 31st March'2014

		Indian GAAP	IND AS Reclassification	INDAS Adjustments	Ind AS	Restatement Adjustments	Restated IND AS
I	**ASSETS**						
A	**Non-current Assets**						
	(a) Property Plant and Equipment	291.16	(0.00)	35.68	326.84	-	326.84
	(b) Capital work-in-progress	-	-		-		-
	(c) Other Intangible assets	3.33	(0.00)		3.33		3.33
	(d) Financial Assets						
	(i) Investments		-				
	(ii) Trade receivable		-				
	(iii) Loans	0.88	(0.88)		-		
	(iv) Others Financial Assets		2.33	-	2.33		2.33
	(e) Deferred tax assets (net)		6.76	0.92	7.68	3.50	11.18
	(f) Other non-current assets	-	4.29	(4.21)	0.08		0.08
	Total	**295.37**	**12.51**	**32.39**	**340.26**	**3.50**	**343.76**
B	**Current Assets**						
	(a) Inventories	67.97	(0.00)		67.97	0.19	68.15
	(b) Financial Assets						
	(i) Investments		-				
	(ii) Trade receivables	106.64	0.79		107.42	(4.71)	102.74
	(iii) Cash and cash equivalents	56.26	(25.54)		30.72		30.72
	(iv) Bank Balances Other than (iii) above		25.57		25.57		25.57
	(v) Loans	40.49	(40.49)				
	(vi) Others		2.48		2.48		2.48
	(c) Other Current Assets	0.00	17.46		17.46	(0.84)	16.62
	Total	**271.35**	**(19.73)**	**-**	**251.62**	**(5.37)**	**246.27**
	TOTAL	**566.72**	**(7.23)**	**32.39**	**591.88**	**(1.87)**	**590.03**
II	**EQUITY AND LIABILITIES**						
A	**Equity**						
	(a) Equity Share Capital	22.16	-		22.16		22.16
	(b) Other Equity	84.12	0.00	(22.16)	61.95	(5.02)	56.93
	Total	**106.27**	**0.00**	**(22.16)**	**84.11**	**(5.02)**	**79.09**
B	**Non-current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	48.95	15.73		64.68		64.68
	(ii) Trade Payables		-		-		
	(iii) Other financial liabilities		77.00		77.00		77.00
	(b) Provisions	0.97	(0.03)		0.94		0.94
	(c) Deferred tax liabilities (Net)	2.13	(2.13)		-		
	(d) Other non-current liability	110.05	(110.05)	52.38	52.38		52.38
	Total	**162.10**	**(19.48)**	**52.38**	**195.00**		**195.00**
C	**Current Liabilities**						
	(a) Financial Liabilities						
	(i) Borrowings	166.95	-		166.95		166.95
	(ii) Trade payables						
	Total outstanding dues of micro enterprises and small enterprises		-				
	Total outstanding dues of creditors other than micro enterprises and small enterprises	94.17	5.80		99.97	0.09	100.06
	(iii) Other financial liabilities		38.98		38.98	0.01	39.47
	(b) Other current liabilities	33.32	(26.82)	2.05	8.56	1.17	9.27
	(c) Provisions	3.90	(3.87)		0.03		0.03
	(d) Current Tax Liabilities	0.00	(1.77)	-	(1.77)	1.93	0.16
	Total	**298.35**	**12.32**	**2.05**	**312.72**	**3.20**	**315.94**
	TOTAL	**566.72**	**(7.23)**	**32.39**	**591.88**	**(1.87)**	**590.03**

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE VII- OTHER EXPLANATORY INFORMATION AND NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION
(Rs. in Million unless otherwise stated)

SUMMARY STATEMENT OF STANDALONE RECONCILIATION OF STATEMENT OF PROFIT AND LOSS
For the year ended March 31 ended March'2017

	Particulars	Notes	For the year ended 31st March'2017					
			I GAAP	Classification Difference	Error and Ind AS Adjustments	Ind AS	Restatement Adjustments	Restated Ind AS
1	**INCOME :**							
	Revenue from Operations	30	787.68	73.96	0.00	861.64	3.76	865.40
	Other Income	31	12.28	(0.32)	31.52	43.48	(2.13)	40.94
	Total Income		**799.96**	**73.64**	**31.52**	**905.11**	**1.63**	**906.34**
2	**EXPENSES :**							
	Cost of Materials Consumed	32	564.71	(17.88)		546.83	2.15	548.98
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	33	(16.45)	9.89		(6.56)	3.01	(3.54)
	Excise Duty		0.00	73.92		73.92		73.92
	Employee Benefits Expense	34	35.70	0.79	1.37	37.86	(0.08)	37.24
	Finance Costs	35	39.54	0.08	8.62	48.24	0.18	48.43
	Depreciation and Amortisation Expense	36	34.22		12.82	47.04		47.04
	Other Expenses	37	101.70	6.85	0.36	108.91	3.67	112.71
	Total Expenses		**759.42**	**73.64**	**23.17**	**856.23**	**8.94**	**864.77**
3	**Profit Before Exceptional Items and Tax**		**40.54**	**0.00**	**8.34**	**48.88**	**(7.31)**	**41.57**
4	Share of Profit in Partnership Firm					**1.08**	**(0.97)**	0.11
5	**Profit Before Tax (3-4)**		**40.54**	**0.00**	**8.34**	**47.80**	**(8.28)**	**41.68**
6	**Taxes Expenses**	38						
	(i) Current Tax		9.00	-	-	9.00	0.23	9.23
	(ii) Deferred Tax		(0.20)	-	-	(0.20)	14.85	14.65
	(iii) Tax Credit		(6.22)	-		(6.22)		(6.22)
	(iv) Tax for Earlier year		0.00	-	-	0.87		0.00
7	**Profit / (Loss) for the year (after tax) (5-6)**		**37.96**	**0.00**	**8.34**	**44.35**	**(23.36)**	**24.02**
8	**Other Comprehensive Income**							
	(i) Items that will not be reclassified to profit & loss							
	Remeasurement of post-employment benefit obligations		-	-	1.37	1.37		1.37
	(ii)Income tax relating to item that will not be reclassified to profit/loss				-			
	Remeasurement of post-employment benefit obligations		-	-	(0.47)	(0.47)		(0.47)
	Profit / (Loss) for the year (after tax) (7-8)		**37.96**	**0.00**	**9.24**	**45.24**	**(23.36)**	**24.91**

For the year ended March 31 ended March'2016

	Particulars	Notes	For the Year ended 31st March'2016					
			I GAAP	Classification Difference	Error and Ind AS Adjustments	Ind AS	Restatement Adjustments	Restated Ind AS
1	**INCOME :**		-					
	Revenue from Operations	30	784.12	45.03	0.00	829.16	(9.48)	819.67
	Other Income	31	2.96	6.49	1.72	11.17		11.17
	Total Income		787.08	**51.53**	**1.72**	**840.32**	**(9.48)**	**830.84**
2	**EXPENSES :**							
	Cost of Materials Consumed	32	557.50	(7.20)	-	550.29	(5.42)	544.88
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	33	(12.66)	6.04	-	(6.62)	(11.41)	(18.03)
	Excise Duty		-	44.50	-	44.50		44.50
	Employee Benefits Expense	34	43.00	21.75	0.17	64.92	0.08	43.97
	Finance Costs	35	38.42	(0.01)	0.66	39.07		39.07
	Depreciation and Amortisation Expense	36	30.75	(0.00)	12.17	42.92		42.92
	Other Expenses	37	90.92	(13.52)	0.00	77.40	0.54	98.97
	Total Expenses		747.92	**51.53**	**12.99**	**812.47**	**(16.20)**	**796.27**
3	**Profit Before Exceptional Items and Tax**		39.16	**(0.00)**	**(11.27)**	**27.85**	**6.72**	**34.57**
4	Exceptional items		-	-				**0.00**
5	**Profit Before Tax (3-4)**		39.16	**(0.00)**	**(11.27)**	**27.85**	**6.72**	**34.57**
6	**Taxes Expenses**	38						
	(i) Current Tax		8.00	-	-	8.00	0.87	8.87
	(ii) Deferred Tax		0.59	(0.00)	-	0.59	2.18	2.77
	(iii) Tax Credit		(6.63)	-	-	(6.63)		(6.63)
	(iv) Tax for Earlier year		0.00	-	-	-		0.00
7	**Profit / (Loss) for the year (after tax) (5-6)**		37.21	**(0.00)**	**(11.27)**	**25.90**	**3.67**	**29.57**
8	**Other Comprehensive Income**							
	(i) Items that will not be reclassified to profit & loss							
	Remeasurement of post-employment benefit obligations		-	-	0.17	0.17		0.17
	(ii) Income tax relating to items that will not be reclassified to profit or loss							
	Remeasurement of post-employment benefit obligations		-	-	(0.05)	(0.05)		(0.05)
	Profit / (Loss) for the year (after tax) (7-8)		37.21	**(0.00)**	**(11.16)**	**26.01**	**3.67**	**29.68**

ZIRCON TECHNOLOGIES (INDIA) LIMITED

ANNEXURE VII- OTHER EXPLANATORY INFORMATION AND NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION

(Rs. in Million unless otherwise stated)

For the year ended March 31 ended March'2015

	Particulars	Notes	For the Year ended 31st March'2015					
			I GAAP	**Classification Difference**	**Error and Ind AS Adjustments**	**Ind AS**	**Restatement Adjustments**	**Restated Ind AS**
1	**INCOME :**							
	Revenue from Operations	30	605.69	22.04	-	627.73	(15.76)	611.97
	Other Income	31	24.47	0.74	(20.36)	4.86		4.86
	Total Income		630.16	**22.78**	**(20.36)**	**632.59**	**(15.76)**	**616.82**
2	**EXPENSES :**		0.00	0.00				
	Cost of Materials Consumed	32	430.33	(13.65)	-	416.68	(0.12)	416.56
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	33	(13.37)	11.16	**0.00**	(2.22)	(8.51)	(10.72)
	Excise Duty		-	22.21	-	22.21		22.21
	Employee Benefits Expense	34	38.44	16.95	(0.14)	55.25		39.72
	Finance Costs	35	31.98	0.00	1.87	33.86	(0.93)	32.92
	Depreciation and Amortisation Expense	36	31.54	0.00	10.75	42.29		42.29
	Other Expenses	37	78.54	(13.89)	-	64.65	(0.73)	79.46
	Total Expenses		597.46	**22.78**	**12.48**	**632.72**	**(10.29)**	**622.44**
3	**Profit Before Exceptional Items and Tax**		32.71	**(0.00)**	**(32.84)**	**(0.14)**	**(5.48)**	**(5.61)**
4	Exceptional items		-	-				**0.00**
5	**Profit Before Tax (3-4)**		32.71	**(0.00)**	**(32.84)**	**(0.14)**	**(5.48)**	**(5.61)**
6	**Taxes Expenses**	38	-	-				
	(i) Current Tax		6.60	-	-	6.60	0.58	7.18
	(ii) Deferred Tax		1.17	-	-	1.17	(7.33)	(6.16)
	(iii) Tax Credit		(6.60)	-		(6.60)		(6.60)
	(iv) Tax for Earlier year		-	-	-	-		0.00
7	**Profit / (Loss) for the year (after tax) (5-6)**		31.54	**(0.00)**	**(32.84)**	**(1.31)**	**1.27**	**(0.03)**
8	**Other Comprehensive Income**							
	(i) Items that will not be reclassified to profit & loss							
	Remeasurement of post-employment benefit obligations		-	-	(0.14)	(0.14)		(0.14)
	(ii) Income tax relating to items that will not be reclassified to profit or loss				-			
	Remeasurement of post-employment benefit obligations		-	-	0.04	0.04		0.04
	Profit / (Loss) for the year (after tax) (7-8)		31.54	**(0.00)**	**(32.94)**	**(1.40)**	**1.27**	**(0.13)**
			-		-			
			-		-			

For the year ended March 31 ended March'2014

	Particulars	Notes	For the Year ended 31st March'2014					
			I GAAP	**Classification Difference**	**Error and Ind AS Adjustments**	**Ind AS**	**Restatement Adjustments**	**Restated Ind AS**
1	**INCOME :**		-					
	Revenue from Operations	30	450.36	17.76	-	468.12	(0.74)	467.38
	Other Income	31	6.85	(4.30)	0.87	3.42		3.42
	Total Income		457.20	**13.46**	**0.87**	**471.54**	**(0.74)**	**470.80**
2	**EXPENSES :**							
	Cost of Materials Consumed	32	319.81	(28.82)	-	290.99	(0.66)	290.33
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	33	(17.27)	29.85	**-**	12.58	(0.19)	12.39
	Excise Duty		-	14.96	-	14.96		14.96
	Employee Benefits Expense	34	28.62	12.60	0.34	41.57	0.01	30.07
	Finance Costs	35	30.09	(0.15)	4.36	34.30	0.93	35.24
	Depreciation and Amortisation Expense	36	26.07	(0.00)	7.53	33.60	0.78	34.38
	Other Expenses	37	65.18	(14.99)	-	50.19	0.64	62.34
	Total Expenses		452.50	**13.46**	**12.24**	**478.20**	**1.52**	**479.72**
3	**Profit Before Exceptional Items and Tax**		4.71	**0.00**	**(11.37)**	**(6.66)**	**(2.26)**	**(8.92)**
4	Exceptional items		-	-		**-**	**-**	**-**
5	**Profit Before Tax (3-4)**		4.71	**0.00**	**(11.37)**	**(6.66)**	**(2.26)**	**(8.92)**
6	**Taxes Expenses**	38						
	(i) Current Tax		0.90	-	-	0.90	0.01	0.91
	(ii) Deferred Tax		(2.02)	0.00	-	(2.02)	8.64	6.62
	(iii) Tax Credit		(0.87)	-		(0.87)		(0.87)
	(iv) Tax for Earlier year		0.00	-	-	0.00		0.00
7	**Profit / (Loss) for the year (after tax) (5-6)**		6.69	**0.00**	**(11.37)**	**(4.67)**	**(10.91)**	**(15.58)**
8	**Other Comprehensive Income**							
	(i) Items that will not be reclassified to profit & loss							
	Remeasurement of post-employment benefit obligations		-	-	0.34	0.34		0.34
	(ii) Income tax relating to items that will not be reclassified to profit or loss				-			
	Remeasurement of post-employment benefit obligations		-	-	(0.11)	(0.11)		(0.11)
	Profit / (Loss) for the year (after tax) (7-8)		**6.69**	**0.00**	**(11.13)**	**(4.44)**	**(10.91)**	**(15.35)**

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE VII- OTHER EXPLANATORY INFORMATION AND NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION
(Rs. in Million unless otherwise stated)

SUMMARY STATEMENT OF STANDALONE RECONCILIATION OF STATEMENT OF CASH FLOW
Cash flow statement for the year ended 31st March'2017

	I GAAP	Reclassification	Adjustments	Restated Ind AS
Cash generated from operating activities	82.61	40.91	(37.26)	86.27
Net cash generated from/(used in) investing activities	(247.38)	33.78		(213.60)
Net cash generated from/(used in) financing activities	134.43	(17.23)		117.20
Cash and cash equivalents at the beginning of the year	43.56	(26.03)		17.54
Cash and cash equivalents at the end of year	13.23	(5.82)		7.41

Cash flow statement for the year ended 31st March'2016

	I GAAP	Reclassification	Adjustments	Restated Ind AS
Cash generated from operating activities	(105.33)	163.97	0.43	59.08
Net cash generated from/(used in) investing activities	(17.18)	8.03		(9.15)
Net cash generated from/(used in) financing activities	119.90	(163.37)		(43.47)
Cash and cash equivalents at the beginning of the year	46.17	(35.10)		11.07
Cash and cash equivalents at the end of year	43.56	(26.03)		17.54

Cash flow statement for the year ended 31st March'2015

	I GAAP	Reclassification	Adjustments	Restated Ind AS
Cash generated from operating activities	94.69	77.77	7.34	85.11
Net cash generated from/(used in) investing activities	(97.41)	(101.23)		(101.23)
Net cash generated from/(used in) financing activities	(0.60)	(3.53)		(3.53)
Cash and cash equivalents at the beginning of the year	49.49	30.72		30.72
Cash and cash equivalents at the end of year	46.17	11.07		11.07

Cash flow statement for the year ended 31st March'2014

	I GAAP	Reclassification	Adjustments	Restated Ind AS
Cash generated from operating activities	75.73	41.30	(0.36)	116.67
Net cash generated from/(used in) investing activities	(130.75)	(1.92)		(132.67)
Net cash generated from/(used in) financing activities	71.69	(39.14)		32.55
Cash and cash equivalents at the beginning of the year	14.01	0.16		14.17
Cash and cash equivalents at the end of year	30.68	0.03		30.72

Reconciliation of Total Equity
The reconciliation of Equity as reported as per earlier Indian GAAP and the equity as per IND AS is as per table below:

Particulars		**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 31st March, 2015**	**As at 31st March, 2014**	**As at 1st April, 2013**
Equity under Previous Indian GAAP	A	**213.02**	**175.07**	**137.86**	**106.27**	**91.28**
Cumulative adjustment relating to previous year		66.26	55.10	22.16	11.03	
Adjustment of errors relating to earlier years						
Depreciation Charged		10.85	7.38	5.78	1.85	
Decapitalisation of Interest		7.97	0.66	1.87	4.36	
Capitalisation of Foreign Exchange fluctuation as per para 46A of AS-11		4.04	(2.15)	20.61	(0.51)	
Impact on account of Prior Period Adjustments						4.21
Impact on account of availment of Tax credit as per section 115JB of Income tax Act'1961						(1.03)
Impact on account of Share of profit in Partnership firm		(1.08)				
IND AS Adjustments						
Impact on account of Deferred Government Grant (EPCG)		4.13	4.56	4.72	5.32	7.85
(Gain)/Loss on Remeasurement of financial assets (Security Deposit)		(0.10)	0.66			
(Gain)/Loss on Remeasurement of financial Liability		(36.95)				
Impact on account of equalisation of Rent		0.36				
Deferred tax on Reclassification of Defined Benefit obligation		0.47	0.05	(0.04)	0.11	
Total Adjustments	B	**55.94**	**66.26**	**55.10**	**22.16**	**11.03**
Equity as per Ind AS	(A-B)	**157.09**	**108.81**	**82.76**	**84.11**	**80.25**
Restatement Adjustments		(23.47)	(0.11)	(3.75)	(5.02)	5.89
Restated Equity as per Ind AS		**133.61**	**108.70**	**79.02**	**79.09**	**86.14**

Explanations to the material adjustments made in the process of IND AS transition from previous GAAP

a. Deferred Tax
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

b. Re-Classifications
The Company has done the following reclassifications as per the requirements of Ind-AS :
i) Assets / liabilities which do not meet the definition of financial asset / financial liability under IND AS have been reclassified to other asset / liability.
ii) Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.
iii) Excise duty on sales was netted off with Sales under Previous IGAAP and now it is required to be presented separately under IND AS.

c. Revenue from Operation

Excise duty, under previous GAAP, was adjusted in revenue from sale of products whereas under Ind AS, it is considered as a production cost and hence disclosed separately as an expense in the statement of profit and loss.

d. Government Grant
Under previous GAAP, government grants were accounted by way of adjustment against the cost of the related assets for which the grants were received whereas under Ind AS government grants are included in other liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the remaining useful life of the related asset.

As per IND AS EPCG income is recognised over the of validity of EPCG license in proportionate to export sales which were not required under previous IGAAP.

e. Leases

Under Ind AS, if the payments to the lessor are not structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases than company is required on straight lining of lease rent.

The Company has initially recognised security deposit paid to the lessor at fair value and subsequently at amortised cost as per Ind AS 109.

f. Leases/Amortisation Expense
Under India GAAP, lease agreement to use land was excluded from accounting of leases under AS 19. Under IND AS, use of land is not excluded from accounting of leases. Due to the above, measurement amount of lease, operating or finance has been changed resulting into change in amortisation expenses.

g. Remeasurements of post-employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

h. Retained earnings
Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments

i. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and tax thereon. The concept of other comprehensive income did/does not exist under previous GAAP.

j. Cost of Material consumed
Discount received on purchases, under previous GAAP, was considered separately as an other income, whereas under Ind AS, it has been netted of with consumption in the statement of profit and loss.

k. Property, Plant and Equipment / Government grants
Under previous GAAP, Government grants related to specific fixed assets were deducted from gross value of related assets by the Company. As per Ind AS 16 the same has been recognised at fair value as income and are credited to Statement of Profit & Loss on a straight line basis over the expected useful life of the related assets.
EPCG benefit under previous IGAAP were shown as contingent liability, as per IND AS the same has been capitalised and amortised over the life of assets.

13 Impact of Change in accounting estimate with respect to depreciation method

Depreciation on property, plant and equipment is provided on straight line method which hitherto is provided on written down value method. The impact of which is tabulated below:

Particular	**Amount**
Depreciation as per Written down Value Method	58.62
Depreciation as per Straight Line Method	21.30
Impact on Profit/Other Equity	**37.32**

The Act has provided us two options for depreciation. The company has chosen Straight Line method. The impact of depreciation will vary in each year so impact for future period is not ascertainable.

ZIRCON TECHNOLOGIES (INDIA) LIMITED
ANNEXURE VII- OTHER EXPLANATORY INFORMATION AND NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION
(Rs. in Million unless otherwise stated)

14 Investment in Partnership firm

Name Of The Firm	**M/s Rokani & Sons**	
Name of the Partners and Profit Sharing Ratio	**Name of Partners**	**Sharing Ratio**
	M/s Zircon Technologies (India) Limited	99%
	Mr. Sanjeev Sondhi	1%

Total Investment in the Firm

Particulars	March 31,2018	March 31,2017
Opening Investment in the Partnership Firm	37.30	-
Add:- Contribution made during the Year	-	10.00
Add:- Addition on account of business transactions	(4.14)	27.20
Add:- Share of Net Profit in Partnership Firm	11.11	0.11
Closing Investment in the Partnership Firm	**44.28**	**37.30**

15 Company has cash balance of Rs. 7.81 in hand at the year the end and no sufficient cash insurance has been taken.

16 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the table below:

Particular	SBNs	Other denomination Notes	Total
Closing cash in hand as On 08.11.2016	0.80	0.37	1.17
(+) Permitted receipts	-	1.50	1.50
(-) Permitted Payments	-	1.49	1.49
(-) Amount deposit In bank	0.80	-	0.80
Closing cash in hand as on 30.12.16	**0.00**	**0.38**	**0.38**

17 Previous Year figures have been Regrouped/Rearranged wherever necessary.

(Rs. in Million unless otherwise stated)

18. Related Party disclosure

I. List of related parties where control exists and also other related parties with whom transactions have taken place and relationships:

S.No.	Name	Relationship
a)	**Key Management Personnel (KMP)**	
	Mr. Sanjeev Sondhi	Director
	Mrs. Poonam Sondhi	Director
	Mr. Tilak Raj Sondhi	Director
	Mr. Sanchay Sondhi	Director W.e.f. 01-01-2018
	Mr. Pramod Agarwal	Independent Director
	Mr. Ashwani Kumar punn	Independent Director
	Mr. Shailendra Kumar	Independent Director
	Mr. Pitamber Mishra	Chief Financial Officer W.e.f. 02-07-2018
b)	**Relatives of KMP**	**Relationship**
	Mr. Rajeev Manrai	Brother of Mr. Sanjeev Sondhi
	Mr. Sanchay Sondhi	Son of Sanjeev Director
C)	**Subsidiaries, Joint venture & Associate with Company**	
	Rokani & Sons (Partnership Firm)	
d)	**Entities over which Key Management Personnel together with their relatives have significant influence :**	
	Zion Inc.	
	Securedibs Technologies Private Limited	

II. The following transactions were carried out with the related parties in the ordinary course of business:

S.No.	Related Party	Relationship	Nature of Transaction	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
1	Rokani & Sons	Subsidiary Partnership Firm	Investment Made	-	10.00	NA	NA	NA
			Sales made during the year	29.50	-			
			Profit Share	11.11	0.11			
			Interest Received	-	0.72			
			Outstanding Balance as investment	44.28	37.30			
2	Zion Inc.	Entities over which key management personnel together with their relatives	Sales made during the year	29.15	4.94	-	-	0.00
			Purchases made during the year	2.74	0.26	1.58	1.38	2.41
			Outstanding Receivable/(Payable)	24.75	5.12	0.05	0.42	0.97
3	Mr. Rajeev Manrai	Relative of KMP	Remuneration Paid	3.60	3.60	3.60	3.60	2.40
4	Mr. Sanjeev Sondhi	Director	Remuneration Paid	6.00	6.00	6.00	6.00	3.60
			Loan from director	-	4.50	-	-	-
			Loan Repaid	4.50	-	-	-	-
5	Mrs. Poonam Sondhi	Director	Remuneration Paid	3.60	3.60	3.60	2.40	2.40
6	Mr. Sanchay Sondhi	Relative of KMP	Salary Paid	0.10	NA	NA	NA	NA
		Director	Remuneration Paid	0.30	NA	NA	NA	NA

The Notes are an integral part of the Financial Statements
In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

B. L. Choraria
Partner
Membership No. 022973

Place: Noida (Delhi-NCR)
Date: 12th Sept'2018

For and on behalf of the Board of Directors
Zircon Technologies (India) Limited

Sanjeev Sondhi
Director
(DIN 01053263)

Poonam Sondhi
Director
(DIN 01053297)

Pitamber Mishra
Chief Financial Officer

Akansha Sharma
Company Secretary
(M.No. A53391)

ZIRCON TECHNOLOGIES (INDIA) LIMITED
(Rs. in Million unless otherwise stated)
Annexure VIII - Restated Standalone statement of adjustments to audited financial statements

Summarized below are the restatement adjustments made to the audited financial statements for the years ended 31 March 2018, 2017, 2016, 2015 and 2014 and their impact on the profit of the Company

	Particulars	Notes /Annexure	For the year ended 31 March				
			2018	2017	2016	2015	2014
			Ind AS		Proforma Ind AS		
(A)	**Net profit after tax as per audited financial statements as per Indian GAAP**		NA	**37.96**	**37.21**	**31.54**	**6.69**
(B)	**Ind AS Adjustments**						
	Impact on account of Deferred Government Grant (EPCG)	Refer Note 39 (12) of Annexure VII	NA	4.13	4.56	4.72	5.32
	(Gain)/Loss on Remeasurement of financial assets		NA	(0.10)	0.66	0.00	0.00
	(Gain)/Loss on Remeasurement of financial Liability		NA	(36.95)	0.00	0.00	0.00
	Impact on account of equalisation of Rent		NA	0.36	0.00	0.00	0.00
	Deferred tax on Reclassification of Defined Benefit obligation		NA	0.47	0.05	(0.04)	0.11
	Total Ind AS adjustments			**(32.09)**	**5.27**	**4.68**	**5.44**
(C)	**Adjustment of errors relating to earlier years**						
	Depreciation Charged	Note 1(a) below	NA	10.85	7.38	5.78	1.85
	Decapitalisation of Interest	Note 1(a) below	NA	7.97	0.66	1.87	4.36
	Capitalisation of Forex fluctuation as per para 46A of AS-11	Note 1(a) below	NA	4.04	(2.15)	20.61	(0.51)
	Impact on account of Share of profit in Partnership firm	Note 1(b) below	NA	(1.08)	0.00	0.00	0.00
	Total Adjustment of errors relating to earlier years		NA	**21.77**	**5.88**	**28.26**	**5.70**
(D)	**Net profit after tax as per IND AS (A+B)**		**53.91**	**48.28**	**26.05**	**(1.40)**	**(4.44)**
(E)	**(i) Material Restatement Adjustment : -**						
	Sales Return and Credit Notes to customers	Note 2 (a) below	21.73	3.76	(14.20)	(11.05)	(0.74)
	Bad debts written off	Note 2 (b) below	4.03	0.00	(0.30)	(0.33)	(0.07)
	Prior Period expenses	Note 2 (c) below	2.54	(1.28)	(1.26)	1.24	(0.49)
	Loss on Sale of Property, Plant & Equipment	Note 2 (d) below	2.52	(2.52)	0.00	0.00	0.00
	Foreign Exchange Fluctuation	Note 2 (e) below	2.13	(2.13)	0.00	0.00	0.00
	Sales Tax, Excise and Service tax	Note 2 (f) below	0.66	(0.06)	0.23	0.34	0.46
	Amount written off/written back	Note 2 (g) below	0.53	0.09	0.71	0.42	(1.48)
	Depreciation	Note 2 (h) below	0.00	0.00	0.00	0.00	(0.78)
	Royalty	Note 2 (i) below	0.00	0.00	4.72	(4.72)	0.00
	Debit notes for purchase rate differences	Note 2 (j) below	(4.40)	(2.15)	5.42	0.12	0.66
	Impact on Inventory on account of Sales Return	Note 2 (a) below	(17.09)	(3.01)	11.41	8.51	0.19
	Change in Share of profit in Partnership firm on restatement	Note 2 (k) below	0.97	(0.97)	-	-	-
	Total Material Restatement Adjustments		**13.62**	**(8.28)**	**6.72**	**(5.48)**	**(2.26)**
	(ii) Adjustment of short income tax provision and deferred tax adjustments						
	Income tax related to earlier years	Note 3 (a) below	0.23	(0.23)	(0.87)	(0.58)	(0.01)
	Deferred tax adjustments	Note 3 (b) below	(0.00)	(14.85)	(2.18)	7.33	(8.64)
	Total tax Restatement Adjustments		**0.23**	**(15.08)**	**(3.05)**	**6.75**	**(8.65)**
(F)	**Total Impact of Restatement Adjustment (i+ii)**		**13.86**	**(23.36)**	**3.67**	**1.27**	**(10.91)**
	Net profit after tax as per Restatement financial Information (D+F)		**67.77**	**24.91**	**29.68**	**(0.13)**	**(15.35)**

ZIRCON TECHNOLOGIES (INDIA) LIMITED
(Rs. in Million unless otherwise stated)

Notes to Adjustment

1 Adjustment of errors relating to earlier years

(a) Errors in calculation of depreciation on property, plant & equipment in the year 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 on account of wrong capitalisation of interest on borrowing, non-capitalisation of foreign exchange fluctuation on qualifying assets as per para 46A of AS-11 and date of capitalisation taken wrongly. Such errors have been rectified in the current financial year and restated in the respective year in which such errors were originally occurred.

(b) Share in profit from partnership firm has been recognised in statement of Profit or loss for financial year 2016-17.

2 Material Restatement Adjustments

All expenses and income debited/credited in the accounting years 2013-14 to 2017-18 pertaining to prior to 1st April, 2013 have been adjusted in the Opening balance of Reserves & Surplus / other equity of 1st April, 2013 in the restated standalone financial statements.

a) Sales return and credit notes: - Sales accounted for in the year of transaction have been returned by the customers in subsequent years which have been restated in the year in which such sales were originally accounted for. Corresponding impact on inventory of Finished Goods is also considered (net of margin).

Credit note given by the company on account of pricing difference, short quantity or quantity discount on the sales made to the customers have been restated in the year in which such sales was recognised.

b) Bad debts written off: - Company has written off the debtors during the year ended March 31, 2018 which were no longer expected to be recovered. Such write offs have been restated in the respective years, in which such debtors were originally accounted for.

c) Prior Period Income/Expenses: - Prior period income/expenses, have been restated in the respective accounting years in which the such expenses were incurred or income was received.

d) Loss on sale of property, plant & Equipment: - Company has accounted for loss on sales of property, plant and equipment during the financial year ended March 31, 2018 on sale of machinery originally sold in the previous year, have been restated in the respective accounting year.

e) Foreign exchange fluctuation: - Company has wrongly accounted for gain on foreign exchange fluctuation during the year 2016-17 which is reversed in current financial year, have been restated in respective years.

f) Sales Tax, Excise & Services Tax: - Sales tax, excise & service tax expense claimed by the respective department on respective assessments were paid in the year in which demands were raised by the respective departments and have been restated in the respective accounting years.

g) Amount written off/written back: - Company has written off / written back some liabilities or provision which were excess provided in the previous years and become non-payable in the subsequent years, similarly company has given some advances or created some recoverable assets which also become non-receivable / non-recoverable in the subsequent year, such income / expenses have been restated in the respective year, in which such liabilities/provision were originally created and Advances originally given.

h) Depreciation: - Company has wrongly charged depreciation in financial year 2012-13 which was reversed in financial year 2013-14, have been restated in respective financial years.

i) Royalty: - Royalty income recognised in financial year 2014-15 and reversed in next financial year have been restated in respective years.

(j) Debit notes for purchase rate differences :- Debit note issued by the company on account of pricing difference, short quantity or quantity discount on purchases made from vendors have been restated in the year in which such purchase was recognised.

(k) Change in Share of profit in Partnership firm on restatement :- Share of profit from partnership firm has been changed due to restatement of prior-period expenses and amount written-off.

ZIRCON TECHNOLOGIES (INDIA) LIMITED
(Rs. in Million unless otherwise stated)

3 Adjustment of short income tax provision and deferred tax adjustments

a) Income Tax related to earlier year: - Short/Excess provision of Income tax made in the year ended March 31, 2017, March 31, 2016, March 31, 2015 and March, 31 2014 have been restated in the respective financial year to which they relate.

b) Deferred Tax Adjustment: - Deferred tax has been computed on adjustments made as stated above and as per the actual timing differences arises on the basis of Income tax returns filed by the company and the same has been restated in respective year

4 Reconciliation of total equity as at 1 April 2013

	Particulars	Notes /Annexure	1st April'2013 Proforma Ind AS
(A)	**Total equity (Shareholder's funds) as per Previous GAAP**		**91.28**
(B)	**Ind AS Adjustments**		
	Impact on account of Deferred Government Grant (EPCG)	Refer Note 39 (12) of Annexure VII	7.85
	Total Ind AS adjustments		**7.85**
(C)	**Adjustment of errors relating to earlier years**		
	Impact on account of Prior Period Adjustments	Note 1(a) above	4.21
	Impact on account of availment of Tax credit as per section 115JB of Income tax Act'1961	Note 1(a) above	(1.03)
	Adjustment of errors relating to earlier years		**3.18**
(D)	**Total Equity as per IND AS (A-B-C)**		**80.25**
	(i) Material Restatement Adjustment : -		
	Sales Return and Credit Notes	Note 2 (a) above	0.50
	Bad debts written off	Note 2 (b) above	(3.33)
	Prior Period expenses	Note 2 (c) above	(0.16)
	Sales Tax, Excise and Service tax	Note 2 (f) above	(1.63)
	Amount written off/written back	Note 2 (g) above	(0.86)
	Depreciation	Note 2 (h) above	0.78
	Debit notes for purchase rate differences	Note 2 (j) above	0.36
	Total Material Restatement Adjustments		**(4.33)**
	(ii) Adjustment of short income tax provision and deferred tax adjustments		
	Income tax related to earlier years	Note 3 (a) above	(1.92)
	Deferred tax adjustments	Note 3 (b) above	12.14
	Total tax Restatement Adjustments		**10.22**
(E)	**Total Impact of Restatement Adjustment (i+ii)**		**5.89**
	Total Equity as per Restatement financial Information (D+E)		**86.14**

5 Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Statement of Assets and Liabilities, Restated Standalone Statement of Profit and Loss, Restated Standalone Statement of Cash Flows and Restated Standalone Statement of Changes in Equity, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the standalone audited financials of the Company as at and for the period ended 31 March 2018.

The material regroupings made in the Restated Standalone Statement of Assets and Liabilities are as under:

- Payable to employees of the company as at 31 March 2014 which was grouped under 'Trade Payables' in the audited standalone financial statements of the Company, have been regrouped as under 'Other current liabilities' in the Restated Standalone Statement of Assets and Liabilities.

6 Non-Adjusting items

a. Qualification/modifications/emphasis of matter/other matters in the Auditors' Report which do not require any corrective adjustments in the Restated Standalone Financial Information.

Financial Year 2017-2018

Other Matters

The comparative financial information of the company for the year ended 31 March 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Act and other accounting principles generally accepted in India included in these standalone Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 01st September 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

b. In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor’s Report) Order, 2003 ("the CARO 2003 Order") issued by the Central Government of India under sub-section (4A) of Section 227 of Companies Act, 1956 on the standalone financial statements as at and for the financial years ended 31 March 2014, Companies (Auditor’s Report) Order, 2015 (“the CARO 2015 Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 on the standalone financial statements as at and for the financial year ended 31 March 2015 and the Companies (Auditor’s Report) Order, 2016 (“the CARO 2016 Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 on the standalone financial statements as at and for the financial years ended 31 March 2016 and 31 March 2017 respectively. Certain statements/comments included in the CARO in the standalone financial statements, which do not require any adjustments in the Restated Standalone Financial Information are reproduced below in respect of the financial statements presented.

Financial Year 2013-2014

Clause (7) of CARO (2003) Order

In our opinion and according to information and explanations given to us, the Company does not have an Internal Audit System but the internal controls are such that it is commensurate with the size and nature of its business.

Financial Year 2014-2015

CARO (2005) Order

Nil

Financial Year 2015-2016

CARO (2005) Order

Nil

Financial Year 2016-2017

CARO (2016) Order

Nil

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Financial Year 2017-2018

Clause (vii) (a) of CARO (2016) Order
According to the records of the Company, the Company is generally regular in depositing material undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, service tax, custom duty, excise duty, income tax, Cess, tax under GST and other statutory dues applicable to it with the appropriate authorities except some delay in deposit of TDS, ESI & Advance Income Tax. There were no undisputed outstanding statutory dues as at the year end for a period more than six months from the date it became payable.

Clause (vii) (b) of CARO (2016) Order
According to the information and explanation given to us and records of the Company, there are dues outstanding of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, tax under GST and entry tax on account of disputes as stated below:

Nature of Statute	Nature on Demand	Amount Involved	Amount paid under Protest	Forum where the dispute is pending	Period
Sales Tax Act	Value Added Tax	0.13	0.13	Deputy Comm. Commercial Tax Uttrakhand	2016-17
	Value Added Tax	0.61	-	Deputy Comm. Commercial Tax Uttrakhand	2013-14
	CST	0.06	-	Commercial Tax Officer Ramapuram Assessment Circle	2016-17
	CST	0.53	-	Department of Trade & Taxes Govt. of NCT of Delhi	2011-12
	CST	0.36	-	Department of Trade & Taxes Govt. of NCT of Delhi	2012-13
Income Tax Act 1961	TDS as per traces	0.46	-	Traces online Portal	2011-12 to 2013-14
	Income Tax	1.25	-	CPC online portal	2005-08 and 09-10

Annexure IX - Restated Standalone statement of Other Incomes

Particulars	Nature	For the year ended 31 March				
		2018	2017	2016	2015	2014
		IND AS		Proforma Ind AS		
Interest on Fixed Deposits/Margin Money	Recurring	1.42	1.62	2.93	2.84	2.18
Interest from partnership firm on investment	Recurring	0.00	0.72	0.00	0.00	0.00
Interest on electricity deposit	Recurring	0.06	0.00		0.00	0.00
Other receipts	Non-recurring	0.01	0.25	0.30	0.21	0.39
Insurance claim	Non-recurring	0.00	1.01	7.14	0.86	0.49
Exchange Fluctuations (Net)	Recurring		0.08	1.23	0.69	0.00
Government Grant	Recurring	0.19	0.21	0.23	0.25	0.36
Unfolding of Security Deposit	Non-recurring	0.12	0.10	(0.66)	0.00	0.00
Gain on Remeasurement of Financial Liability	Non-recurring	0.00	36.95	0.00	0.00	0.00

Gain on Remeasurement of Financial Liability during the year March'2017 exceeds 20% of Profit before tax which arises on fair value measurement of special credit facility received from one of the supplier of the company. (Refer explanation below Note 20 to Annexure VI for detail)

ZIRCON TECHNOLOGIES (INDIA) LIMITED
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Annexure X - Restated Standalone statement of Accounting Ratio

Particulars	Note Reference	For the year ended 31 March				
		2018	2017	2016	2015	2014
		Ind AS		Proforma Ind AS		
Earnings per share (Face Value of Rs. 10 each)						
Basic and Diluted EPS (in Rs.) *	Note 1(i) & 1(ii) below	4.58	1.63	2.00	(0.00)	(1.11)
Return on Net Worth % *	Note 1 (iii) below	33.56%	17.98%	27.21%	-0.04%	-19.70%
Net asset value per equity share (Rs.) *	Note 1 (iv) below	22.72	15.08	49.06	35.67	35.70
(a) Number of equity shares outstanding at the end of the year		8.86	8.86	2.22	2.22	2.22
(b) Weighted average number of equity shares for Basic and Diluted EPS		14.77	14.77	14.77	14.77	14.02
(c) Earnings Per Equity Share	[Refer Note 39 (5)]	4.58	1.63	2.00	(0.00)	(1.11)
(d) Restated Net Profit, attributable to equity shareholders		67.58	24.02	29.57	(0.03)	(15.58)
(e) Share Capital		88.62	88.62	22.16	22.16	22.16
(f) Reserves (Other equity), as restated		112.76	44.99	86.55	56.86	56.93
(g) Net worth, as restated		201.38	133.61	108.70	79.02	79.09

* presented in two decimals

1. The ratios on the basis of Restated financial information have been computed as below:

$$\text{(i) Basic Earnings per share (INR)} = \frac{\text{(d) Restated Net Profit, attributable to equity shareholders}}{\text{(b) Weighted average number of equity shares for Basic and Diluted EPS}}$$

$$\text{(ii) Diluted Earnings per share (INR)} = \frac{\text{(d) Restated Net Profit, attributable to equity shareholders}}{\text{(b) Weighted average number of equity shares for Basic and Diluted EPS}}$$

$$\text{(iii) Return on net worth (\%)} = \frac{\text{(d) Restated Net Profit, attributable to equity shareholders}}{\text{(g) Net worth, as restated}}$$

$$\text{(iv) Net Asset Value (NAV) per equity share (INR)} = \frac{\text{(g) Net worth, as restated}}{\text{(a) Number of equity shares outstanding at the end of the year}}$$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year 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. This has been adjusted for all periods presented by giving effect to bonus subsequent to the balance sheet date. [Refer note 39 (5)]

3. Net Worth = Equity share capital + Other Equity (including Securities Premium and Surplus/ (Deficit))
4. The above ratios have been computed on the basis of the Restated Financial Information - Annexure I to Annexure IV.

ZIRCON TECHNOLOGIES (INDIA) LIMITED
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Annexure XI - Restated Standalone statement of capitalisation

Particulars	Pre offer for the year ended 31 March 2018	*As adjusted for issue (Refer note ii below)
Debt:		
Long term borrowings	158.02	--
Short term borrowings	214.24	--
Current maturities of long-term debt	78.42	--
Total debt (A)	**450.67**	**--**
Shareholder's funds:		
Equity share capital	88.62	--
Reserves (Other equity), as restated	112.76	--
Total shareholders' fund (B)	**201.38**	**--**
Total debt/ shareholder's fund (A/B)	2.24	**--**

Notes:

i) The above has been computed on the basis of the Restated Financial Information - Annexure I to Annexure IV.

ii)* The Corresponding post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Annexure XII - Restated Standalone statement of dividend declared/paid

Particulars	For the year ended 31 March				
	2018	2017	2016	2015	2014
	Ind AS		Proforma Ind AS		
Number of equity shares outstanding (in million)	8.86	8.86	2.22	2.22	2.22
Face value per share (In Rs.)	10.00	10.00	10.00	10.00	10.00
Interim dividend	-	-	-	-	-
Dividend tax	-	-	-	-	-
Rate of Dividend (%)	-	-	-	-	-
Dividend tax rate	-	-	-	-	-
Dividend per equity share (in Rs.)	-	-	-	-	-

ZIRCON TECHNOLOGIES (INDIA) LIMITED
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Annexure XIII - Restated Standalone statement of tax shelter

Particulars	For the year ended 31 March				
	2018	2017	2016	2015	2014
	Ind AS		Proforma Ind AS		
(A) Profit before tax- as restated	**70.69**	**41.68**	**34.57**	**(5.61)**	**(8.92)**
(B) Company's domestic tax rate	33.06%	30.90%	30.90%	30.90%	30.90%
(C) Company's domestic tax rate under 115JB	20.39%	20.39%	20.39%	20.39%	19.06%
(D) Tax Liability using the Company's domestic tax rate (A*B)	**23.37**	**12.88**	**10.68**	**(1.73)**	**(2.76)**
(E) Adjustments for Permanent Difference due to					
(i) Disallowance under Income tax Act, net	1.32	2.49	0.19	0.00	0.07
(ii) Share in profit of partnership firm (exempted income)	(11.11)	(0.11)	-	-	-
Total Permanent Difference	**(9.79)**	**2.38**	**0.19**	**0.00**	**0.07**
(F) Adjustment for Timing Difference due to:					
(i) Set of Unobserved depreciation and carried forwarded Loss	-	-	-	(17.10)	0.00
(ii) Difference in book depreciation and depreciation under Income tax Act	(66.31)	(7.60)	(7.26)	(5.10)	(14.02)
(iii) Other timing differences (80IC)	-	(13.09)	(15.87)	(13.62)	(10.11)
(iv) Expenses disallowed /(Allowed) as per Section 43B, 40 A (7)	0.07	(0.19)	0.34	0.57	0.04
(v) Provision for Doubtful debts	4.80	-	-	-	-
(vi) Restatement Adjustment	(3.10)	(16.55)	(7.58)	27.87	5.72
Total Tax impact of Timing Difference (i to vi)	**(64.54)**	**(37.44)**	**(30.36)**	**(7.38)**	**(18.37)**
(G) Net Adjustment (E+F)	**(74.33)**	**(35.06)**	**(30.17)**	**(7.38)**	**(18.29)**
[H] Tax expenses / (savings) thereon (G*B)	**(24.58)**	**(10.83)**	**(9.32)**	**(2.28)**	**(5.65)**
[I] Total tax (D+H)	**(1.20)**	**2.05**	**1.36**	**(4.01)**	**(8.41)**
(J) Tax liability as per section 115JB	11.08	8.26	7.98	6.54	0.90
(K) Interest on Income Tax	1.12	0.97	0.88	0.64	0.02
(L) Tax Liability (Higher of [I or J] + K)	**12.20**	**9.23**	**8.87**	**7.18**	**0.91**

MANAGEMENT'S 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 Restated Financial Statements beginning on pages 178, prepared in accordance with the Companies Act, Indian Accounting Standards ("Ind AS"), and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 178. Until Fiscal 2016, our Company did not have any subsidiaries, and no consolidated financial statements were prepared. In Fiscal 2017 we acquired a partnership firm which has been considered for the purpose of preparing our Restated Consolidated Financial Statements for the Fiscal 2017 and Fiscal 2018 in accordance with Ind AS 110.

Our financial year ends on March 31, therefore, all references to a particular Fiscal are to the 12-month period ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on our Restated Standalone Financial Statements for Fiscal 2016, Fiscal 2017 and Fiscal 2018 and Restated Consolidated Financial Statements for Fiscal 2017 and Fiscal 2018, included in this Draft Red Herring Prospectus. For further details, see "Financial Statements" beginning on page 178. Unless the context otherwise requires, in this section, references to "we", "us", "our", or "Company" refers to Zircon Technologies (India) Limited on a standalone basis in Fiscal 2016, Fiscal 2017 and Fiscal 2018 and on a consolidated basis in Fiscal 2017 and Fiscal 2018.

Some of the information 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" on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" on page 17 for a discussion of certain factors that may affect our business, financial condition or results of operations.

Overview

We are a company engaged in the business of label printing for packaging of products and brand security solutions. Our business is supported by our in-house R&D process which is complemented by our existing infrastructure facility. We develop and offer a variety of labels and brand security solutions to a large number of national as well as international companies. We help our customers in decorating their brands with our high quality labels customized to suit their technical and aesthetic specifications as well as protecting their brands and the packages of their products from tampering and counterfeiting.

We also have an advanced in-house R&D division which has resulted in several technological breakthroughs including some of our recent developments such as a high scratch resistance coating technique and a special technique for a mirror-like glossy finish coating on our products. In our brand security solutions segment, we integrate high security graphics and other security elements onto the labels and brand images that we produce for our customers. We have also offered our technology of our high security graphics design and printing segment to a large European company under a licensing agreement in 2013 for which we receive royalty income. Our high security graphics printing technology was developed through our extensive in-house R&D process. We believe that our brand security technology is capable of successfully penetrating into a large variety of industry verticals and brands.

Our brand security and labeling solutions are designed to suit the specific needs of various industries including homecare, personal care, food and beverage, wine and liquor, pharmaceutical, agro-chemicals, automobile industries as well as industrial products. Our products are in conformity with the industry quality parameters that help in identifying the brands of our customers. Since any label on a product is the first point of interaction between the consumer and the brand, our high quality aesthetic labels facilitate the communication of the unique selling point and the authenticity of the brands and help protect their brand identity from the menaces of counterfeiting and tampering.

Even though our current revenue is predominantly driven by our labeling business, we aim to grow our innovative brand security solutions. We provide our brand security solutions to several large national and international companies and brands, and expect our brand security solutions segment to contribute to 25.00% of our total revenue by Fiscal 2021. We believe that our brand security solutions segment shall play an important role in the future growth and profit margin of our Company and in establishing our positioning as a technology innovator in the industry.

As on date of filing this Draft Red Herring Prospectus, our product portfolio comprises of self-adhesive labels, security labels, anti-counterfeiting labels, brand security labels and tamper evident labels, hybrid security labels, canister labels and a host of other labeling solutions including techniques for prevention of duplication of prints and anti-counterfeiting.

As on date of filing this Draft Red Herring Prospectus, we have 3 manufacturing units – two in Dehradun and one in Chennai. We aim to set up a dedicated R&D center in Dehradun by 2021, which will be involved in research of creation of new anti-counterfeiting solutions, micro-optics, chemicals and coatings, and printed electronics. Both of our units in Dehradun are ISO 9001:2015 certified for our Quality Management System. We also became the first HD Flexo Certified company in India in May, 2012.

We believe that our brand equity is strongly associated with our position as one of the leading players in the labeling and brand security industry. In recognition of our capabilities, we have been recipients of various awards, which we believe have contributed in creating our strong brand value. We were awarded the 'Tv100 Excellence Award for Innovation in Manufacturing in the Packaging Sector' at the Industrial Excellence Awards, 2016, and were the runners up in the Combination Printing Colour at the Label Awards, 2014, organised by Avery Dennison and the Label Manufacturers Association of India. For further details on the awards and accreditations obtained by our Company, please see the section titled *"History and Certain Corporate Matters – Awards and Accreditations"* on page 149.

Our Company is managed by our Promoter and Managing Director, Sanjeev Sondhi, who has over 25 years of experience, including 12 years of experience in the print security and label manufacturing industries. Our Company is also supported by an experienced management team, including our Executive Director, Poonam Sondhi, and our Vice President Operations, Arun H.S. both of whom have over 15 years of industry experience. As of August 31, 2018, we have a total workforce of 342 individuals out of which 149 individuals are employed by us as permanent employees, and 193 persons are hired by us on a contractual basis.

Recent Developments

Purchase of new machinery

Our Company has purchased a new machinery for ₹ 3.80 million for our new production line of proposed cannister business, for which we have already paid ₹ 3.80 million to the supplier of the machinery partially in the Fiscal 2018 and balance will be paid in Fiscal 2019.

Purchase of property

Our Company has entered into an agreement dated April 2, 2018 with Sanjeev Sondhi, our Promoter and Managing Director for purchase of residential property situated at C-7-4, Pinnacle Residency, Rajpur Road, Zakhan, Dehradun, Uttarakhand ("**Residential Property**") for a total consideration of ₹ 16.50 million to be used for the purpose of our Company's guest house. Further, our company has paid an advance of ₹ 5.50 million to Sanjeev Sondhi and out of the total balance consideration, fifty percent shall be paid in October/ November, 2018 and remaining consideration shall be paid by our Company to Sanjeev Sondhi in the month of December, 2018.

Significant Factors Affecting Results of Operations and Financial Condition

Sale of our products to certain key customers

Our business is dependent on the sale of our products to certain key customers. The loss of such customers, a significant reduction in purchases by such customers, or a lack of commercial success of a particular product of which we are a major supplier could materially adversely affect our business, results of operations and financial condition.

We are dependent on certain key customers, particularly in the FMCG, wine and liquor, automobile and brand security sectors. Our top five customers accounted for 54.32%, 48.07%, 54.47%, 49.77% and 47.78% of our revenues from Sale of Products (Net of Excise Duties) on a consolidated basis for Fiscals 2018, 2017, 2016, 2015 and 2014. As we are dependent on certain key customers for a significant portion of our sales, the loss for any of the foregoing reasons of any one of our key customers, if not replaced, may materially adversely affect our business, results of operations and financial condition. There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers.

Our ability to procure raw materials and dependency on our top suppliers

The primary raw materials used for the manufacturing of our products are pressure sensitive adhesive label material, decorative foils, inks and varnishes including stores, spares, dies and plates. The raw materials used in the manufacture of our products accounted for 61.31 %, and 67.58% respectively of our net total income in Fiscals 2018 and 2017, respectively on a consolidated basis and on a standalone basis accounted for 59.15% and 65.95% in Fiscals 2018 and 2017 respectively. We generally do not enter into agreements with suppliers of our raw materials that we purchase and typically transact business on an order-by-order basis and also procure our raw materials on the spot. We cannot assure you that there will not be a significant disruption in the supply of raw materials or finished products from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials of comparable quality at an acceptable price, or at all. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness, service, financial stability and labour and other ethical practices.

In the event we are unable to procure adequate amounts of raw material, at competitive prices, our business, results of operations and financial condition may be adversely affected. Further, we do not generally enter into agreements with our suppliers and accordingly may face disruptions in supply from the current suppliers.

In the aggregate, our top five suppliers accounted for 92.11%, 92.48% and 91.41% of our purchases (net) for the years ending March 31, 2018, 2017 and 2016, respectively. Our reliance on certain key suppliers could result in delays that could adversely affect our output, results of operations and financial condition. Where alternative sources of raw materials and components are available, qualification of the alternative suppliers, establishment of reliable supplies from such sources and reliance on them over time may result in delays that could adversely affect our manufacturing processes, results of operations or financial condition.

Growth in FMCG, wine and liquor and the anti-counterfeiting industries

For Fiscal 2016, 2017 and 2018, our Company derived 48.01%, 40.13% and 30.30% of our gross sales from FMCG segment. Our revenue from FMCG segment has decreased from ₹ 372.15 million in the Fiscal 2016 to ₹ 290.81 million in the Fiscal 2018 showing a deficit of 21.86% while our revenue from the wine and liquor segment has grown from ₹ 183.79 million in the Fiscal 2016 to ₹ 293.02 million in the Fiscal 2018 showing a growth of 59.43%. Thus we are dependent on the FMCG and wine and Liquor industries for majority of our revenue. Any slowdown in growth of these industries or demand of our products by FMCG and wine and Liquor industries may affect our growth.

Further, we have invested significant amounts in the growth of our anti-counterfeiting / print security business. Any slowdown or stoppage in the growth of the anti-counterfeiting industry may significantly affect our growth, business, results of operations and financial condition.

Presentation of Financial Information

The Restated Consolidated Financial Statements are prepared in accordance with Indian Accounting Standard 110 “Consolidated financial statements” as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable.

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. Profit/(loss) and Other Comprehensive Income (“**OCI**”) of subsidiary acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Consolidated subsidiary has a consistent reporting date of 31st March 2018. The Group consolidates the financial statements of the parent and its subsidiary on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The difference between our Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Our company has 99% control over its subsidiary, M/s. Rokani and Sons.

Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the Restated Standalone Financial Information are as given below. These accounting policies have been applied consistently to all the periods presented in the Restated Standalone Financial Information.

Principles of Consolidation

The Restated Consolidated Financial Statements are prepared in accordance with Indian Accounting Standard 110 “Consolidated financial statements” as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable.

Inventories: Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on first in first out (“**FIFO**”) basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make it saleable. However, consumables such as finished plates and designs dies are valued at amortized cost.

Cash and Cash Equivalents: Cash and cash equivalents in the balance sheet comprise cash at banks, cash in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

Income Tax*:* Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in Other Comprehensive Income.

Current Tax: Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

Deferred Tax: Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. Our Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in OCI or in equity.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and our Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax includes tax credit under section 115JAA of Income Tax Act, 1961 recognized as an asset only to the extent that there is convincing evidence that our Company will pay normal income tax during the specified period i.e. the period for which tax credit is allowed to be carried forward. Our Company reviews the tax credit entitlement asset at each reporting date and writes down the assets to the extent our Company does not have convincing evidence that it will pay normal tax during the specified period.

Property, Plant and Equipment

Recognition and Measurement: Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment. Profit or loss arising on the disposal of property, plant and equipment are recognized in the statement of profit and loss.

Subsequent Expenditure: Subsequent costs are included in the asset’s carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to our Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Major inspection/ repairs/ overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortized part of the previously recognized expenses of similar nature is derecognized.

Depreciation and Amortization: Depreciation on property, plant and equipment assets is provided on straight line method which hitherto is provided on written down value method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act, except for the below mentioned category of tangible assets rates are determined based on the useful lives estimated by the management. Our Company has used the following useful lives to provide depreciation on the following assets.

The estimate of the management, supported by the independent assessment by the professional is set forth below.

Category of assets	**Useful life**	**Remark**
Plant and machinery (used in printing and	30 (Thirty) years	Higher than those Indicated in Schedule II of the Act.

manufacturing of finished plates)

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at two to thirty years.

Depreciation on additions (or disposals) during the year has been provided on a pro-rata basis. Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Disposal of Assets: An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Reclassification to Investment Property: When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

Capital Work in Progress: Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets, exchange fluctuation and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

Leases

Determination of Lease: The determination of whether an arrangement contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to the date of transition, our Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

Lessor

Financial Lease: Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

Operating Lease: Leases in which our Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates our Company with expected inflationary costs.

Lessee

Financial Lease: Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, 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 under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that our Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease: Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates our Company with expected inflationary costs.

Revenue

Revenue Recognition

Our Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of our Company's activities as described below. Our Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

Sale of Goods: Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and our Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

Interest Income: Interest other than interest on overdue debts from customers, is recognized on time proportion basis.

Dividend Income: Dividend Income from investments is recognized when our Company's right to receive payment has been established.

Other Operating Revenue: Export incentive and subsidies are recognized when there is reasonable assurance that our Company will comply with the conditions and the incentive will be received.

Insurance Claims: Insurance claims are accounted for on acceptance or to the extent amount have been received.

Share of profit/ (loss) in M/s. Rokani and Sons: Share of profit/ (loss) in our subsidiary partnership firm, M/s. Rokani and Sons is recognized in proportion of our profit sharing ratio. Our Company has 99% share in M/s. Rokani and Sons and the balance 1% share is held by our Promoter.

Employee Benefits

Short Term Benefits: Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

Other Long Term Employee Benefits: Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Post-Employment Benefits: Our Company operates post-employment schemes as set forth below.

Defined Benefit Plans: The liability or asset recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Our Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities at the end of the reporting period that have terms approximating to the terms of related obligation.

Re-measurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in OCI. Re-measurements recognized in OCI is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

Defined Contribution Plan: Defined contribution plans such as provident fund are charged to the statement of profit and loss as and when incurred.

Government Grants: Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and our Company will comply with all attached conditions.

Government grants that compensate our Company for expenses incurred are recognized in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognized.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets.

Government grants related to import of property, plant and equipment against export sales obligation are credited to the statement of profit and loss on systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Total grants received less amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income. Interest and penalty if any on non-fulfilment of obligation shall be charged to statement of profit and loss when the same is materialized.

Foreign Currency Transactions: Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the statement of profit and loss within finance costs.

Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

Our Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 relating to Accounting Standard-11 notified on March 31, 2009, as amended on December 29, 2011, which shall be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at March 31, 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

Borrowing Costs: Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. Our Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate ("**EIR**") method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

Investments in Subsidiary: Investments in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

For the purpose of consolidation under Ind AS 110, our partnership firm, M/s. Rokani and Sons has been considered as our subsidiary in which we have ninety-nine percent profit share.

Financial Instruments: A Financial instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or equity instrument of another entity.

Financial Assets

Recognition and Initial Measurement: All financial assets are initially recognized when our Company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent Measurement: For purposes of subsequent measurement, Financial assets are classified in four categories –

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income ("**FVTOCI**");
- Measured at Fair Value Through Profit or Loss ("**FVTPL**"); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period our Company changes its business model for managing Financial assets.

Measured at Amortized Cost involves a debt instrument that is measured at the amortized cost if both the following conditions are met:

a. The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
b. The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding.

After initial measurement, such Financial assets are subsequently measured at amortized cost using the effective interest rate ("**EIR**") method.

Measured at FVTOCI involves a debt instrument that is measured at the FVTOCI if both the following conditions are met:

a. The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and
b. The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognized in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

Measured at FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, our Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments measured at FVTOCI: Equity instrument in scope of Ind AS – 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, our Company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.

All other Financial instruments are classified as measured at FVTPL.

De-recognition: Our Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment: Our Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. Our Company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Financial Liabilities

Recognition and Initial Measurement: Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement: Financial liabilities are measured subsequently at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

Financial Guarantee Contracts: Financial guarantee contracts issued by our Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

De-recognition: A Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting Financial instruments: Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

Impairment of Non-Financial Assets

Our Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets ("**Cash Generating Units**" or "**CGU**").

An impairment loss is recognized as an expense in the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

Provisions, Contingent Liabilities and Contingent Assets

Provisions: Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent Liabilities: Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. Our company discloses the existence of contingent liabilities in other notes to restated standalone financial information.

Contingent Assets: Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

Intangible Assets

Recognition and measurement: Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent Expenditure: Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to our Company and the cost of the item can be measured reliably. All other expenditure is recognized in the statement of profit and loss.

Amortization: Other Intangible assets are amortized over a period of three years. The amortization period and the amortization method are reviewed at least at the end of each Financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

Intangible Assets under Development: Intangible assets under development is stated at cost which includes expenses incurred in connection with development of intangible assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

Investment Properties: Investment property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Upon initial recognition, an investment Property is measured at cost. Subsequently they are stated in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss.

The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of the Act.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. the net difference between the net disposal proceeds and the carrying amount of the asset is recognized in Statement of profit or loss in the period of de-recognition.

Operating Segment: The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of our Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of our Company and for which discrete financial information is available. The operating segments have been identified on the basis of the nature of products/services, our Company has single operating segments.

Earnings Per Share: Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

Exceptional Items: Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of our Company’s financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

Measurement of Fair Values: A number of our Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by our Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Our Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Standalone Financial Information are categorized within the fair value hierarchy, described hereinafter, based on the input that is significant to the fair value measurement as a whole. Level 1 includes quoted (unadjusted) market prices in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and Level 3 includes inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of our Company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Restated Standalone Financial Information is included in the following notes:

Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of our Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

Useful lives of depreciable/ amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

Classification of Leases: Our Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Defined Benefit Obligation ("DBO"): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. Our Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

Impairment of Financial Assets: Our Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Allowances for Doubtful Debts: Our Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Fair value measurement of Financial Instruments: When the fair values of Financial assets and Financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Research and Development: The revenue expenditure on R&D is charged to statement of profit & loss of the year in which it is incurred. Expenditure which results in creation of capital assets is treated similar to other fixed assets.

Warranty: Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

Finished Plates and design dies: Finished plates and design die are amortized/discard over a period of three years and charged to statement of profit and loss.

Principal Components of Income and Expenditure

Income

Our total income consists of net revenue from operations and other income.

Net revenue from Operations

Net revenue from operations includes revenue from sale of products net of excise duty. Other operating revenue includes plate development charges and royalty income. Revenue is recognized to the extent that it is probable that economic benefits will flow and the revenue can be reliably measured.

Other Income

Other income primarily includes interest income, other receipts, profit on sale of assets, insurance claims received, net gain on foreign currency transactions and translations, government grants and fair value gain on financial liability re-measurement.

Expenses

Our expenses consist primarily of cost of materials consumed, changes in inventories, employee benefit expenses, finance costs, depreciation and amortization expenses, tax expenditure and other expenses.

Cost of materials consumed

Cost of materials consumed includes purchase cost of raw materials and difference between the closing stock and opening stock of raw materials. Given our business, cost of materials consumed represents our most significant operating expense.

Changes in inventories

Changes in inventories consists of increase/ decrease in inventories of finished goods, stock in trade and work-in-progress respectively at the end of the year *vis-a-vis* the beginning of the year.

Employee Benefit Expenses

Employee benefit expenses include salaries and wages, contribution to provident and other funds, and staff welfare expenses.

Finance Costs

Finance costs include interest expenses, losses on re-measurement of financial liability and other borrowing costs.

Depreciation and Amortization

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value or on straight line basis based on the management estimates of benefits to be derived from its tangible assets. Depreciation for assets purchased/ sold during the period is proportionately charged. Depreciation is calculated pro-rata from/to the date of addition/ deletion.

Amortization is calculated on costs of items of intangible assets like computer software and goodwill after making adjustments for the amount of accumulated amortization, additions and disposals made during the period.

Other Expenses

Other expenses include expenses relating to consumption of stores and spare parts, manufacturing expenses, power and fuel, rent, repairs to buildings, and provision for doubtful debts and advances, among others.

Results of Operations

The results of our operations contain information with respect to our consolidated and standalone results for the periods indicated, as set forth below.

Consolidated Results of Operations

The following table sets forth certain information with respect to our consolidated results of operations for the periods indicated:

Particulars	**Fiscal 2018**		**Fiscal 2017**	
	(₹ million)	**Percentage of net total income (%)**	**(₹ million)**	**Percentage of net total income (%)**
Income:				
Gross Revenue from Operations	959.69	101.72%	945.92	103.69%
Less: Excise Duty	18.92	2.00%	73.92	8.10%
Net Revenue from Operations	940.78	99.71%	872.00	95.59%
Other Income	2.71	0.29%	40.22	4.41%
Total Income	**943.49**	**100.00%**	**912.22**	**100.00%**
Expenses:				
Cost Of Materials Consumed	578.43	61.31%	616.51	67.58%
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	7.05	0.75%	(14.78)	(1.62)%
Employee Benefits Expense	57.90	6.14%	43.11	4.73%
Finance Costs	67.52	7.16%	49.16	5.39%
Depreciation and Amortisation expenses	23.03	2.44%	47.82	5.24%
Other Expenses	138.63	14.69%	124.91	13.69%
Total expenses	**872.56**	**92.48%**	**866.72**	**95.01%**
Profit before Tax including pre-acquisition profit M/s. Rokani and Sons	-	-	45.50	4.99%
Pre-acquisition profit of M/s. Rokani and Sons	-	-	3.41	0.37%
Profit before Tax	**70.93**	**7.52%**	**42.09**	**4.61%**
Tax expense:				
Current tax	12.20	1.29%	9.64	1.06%
Deferred tax expense	6.00	0.64%	14.65	1.61%
Tax Credit Entitlement	(11.08)	(1.17)%	(6.22)	(0.68)%
Total Tax Expense	**7.12**	**0.75%**	**18.07**	**1.98%**
Profit after Tax	**63.81**	**6.76%**	**24.02**	**2.63%**
Other Comprehensive Income (Net of Tax)	0.22	0.02%	0.89	0.10%
Total Profit (loss) for the Year	**64.03**	6.79%	**24.91**	2.73%

Total Comprehensive Income for the Year attributable to:		-		-
- Owners of our Company	63.92	-	24.90	-
- Non-controlling interests	0.11	-	0.01	-
	64.03	-	24.91	-

 # The financial information used in this table for Fiscal 2017 and Fiscal 2018 has been derived from the Restated Consolidated Financial Statements.

The following table sets forth certain information with respect to our Earnings before Interest, Taxes, Depreciation and Amortization Expenses (EBITDA) for the periods indicated:

Particulars	**Fiscal 2018**		**Fiscal 2017**	
	(₹ million)	**Percentage of total income % (net basis)**	**(₹ million)**	**Percentage of total income % (net basis)**
Earnings Before Interest, Taxes Depreciation and Amortisation (EBITDA)[1]	161.49	17.12%	139.06	15.62%

[1]*Calculated as per our Restated Net Profit (Loss) before Tax plus Depreciation and Amortization Expenses plus Finance Costs.*

Fiscal 2018 compared to Fiscal 2017

Income

Total income increased by 3.43% from ₹ 912.22 million in Fiscal 2017 to ₹ 943.49 million in Fiscal 2018. The increase in total income reflects the growth in our existing businesses due to reasons mentioned below.

Net Revenue from Operations

Net revenue from operations increased by 7.89% from ₹ 872.00 million in Fiscal 2017 to ₹ 940.78 million in Fiscal 2018. The increase in net revenue from operations was attributable to an increase in sale of products including high security labels, tamper evident labels primarily driven by an increase in new customers as a result of our growing base in the wine and liquor sectors. Our client base was 236 clients and 219 clients for the Fiscals 2017 and 2018 respectively.

Our net revenue from operations comprises of sales of our products of ₹ 959.65 million and ₹ 944.71 million in Fiscal 2018 and Fiscal 2017, including sale of our security labels and other labels. Our other operating revenue includes revenue from plate development amounting to ₹ 0.04 million in Fiscal 2018 and ₹ 0.58 million in Fiscal 2017. Our royalty receipts amounted to ₹ 0.62 million in Fiscal 2017 to no such income in Fiscal 2018.

Other Income

Other income decreased by 93.26% from ₹ 40.22 million in Fiscal 2017 to ₹ 2.71 million in Fiscal 2018. As a percentage of total income, other income was 4.41% in Fiscal 2017 as compared to 0.29% in Fiscal 2018. Other income primarily consisted of interest income that increased by 25.93% from ₹ 1.62 million in Fiscal 2017 to ₹ 2.04 million in Fiscal 2018, as a result of increase in investments. This increase was offset by a decrease in insurance claim by 100% from ₹ 1.01 million in Fiscal 2017 to no such income in Fiscal 2018. Similarly, there was a 100% decrease in items of other income such as net gain on foreign exchange currency fluctuations and gain on re-measurement of financial liabilities.

Expenses

Total expenses decreased marginally by 5.51% from ₹ 940.64 million in Fiscal 2017 to ₹ 891.48 million in Fiscal

2018. As a percentage of total income, total expenses were 94.49% in Fiscal 2018 as compared to 103.12% in Fiscal 2017.

Cost of materials consumed

Cost of materials consumed decreased marginally by 6.58% from ₹ 616.51 million in Fiscal 2017 to ₹ 578.43 million in Fiscal 2018.

The marginal decrease in cost of materials consumed was primarily attributable to an increase in print scale per customer and increase in our efficiency due to new modern machinery in production line and growth of our security label segment.

Changes in Inventories of Finished Goods, Stock in Trade and Work-in-Progress

Changes in Inventories of Finished Goods, Stock in Trade and Work-in-Progress increased substantially by 147.70% from ₹ (14.78) million in Fiscal 2017 to ₹ 7.05 million in Fiscal 2018.

The increase in changes in inventories of finished goods, stock in trade and work-in-progress was primarily attributable to change in our inventory management and an increase in sales.

Employee Benefit Expenses

Employee benefits expenses increased by 34.30% from ₹ 43.11 million in Fiscal 2017 to ₹ 57.90 million in Fiscal 2018.

The increase in employee benefit expenses was primarily attributable to increase in salaries and wages of our employees and corresponding increase in contribution to provident fund and other funds.

Salaries, wages and bonus increased by 34.99% from ₹ 41.51 million in Fiscal 2017 to ₹ 56.04 million in Fiscal 2018, while contribution to provident fund and other funds increased from ₹ 0.20 million in Fiscal 2017 to ₹ 0.32 million in Fiscal 2018. Staff welfare expenses also increased by 9.68% from ₹ 1.41 million in Fiscal 2017 to ₹ 1.54 million in Fiscal 2018.

Finance Costs

Finance costs increased by 37.36% from ₹ 49.16 million in Fiscal 2017 to ₹ 67.52 million in Fiscal 2018. As a percentage of total income, finance costs contributed to 5.40% and 7.16% in Fiscal 2017 and Fiscal 2018, respectively. The increase in finance costs in Fiscal 2018 was a result of direct increase in capital expenditure financed by increased borrowings.

Depreciation and Amortization Expenses

Depreciation and amortization expenses decreased by 51.83% from ₹ 47.82 million in Fiscal 2017 to ₹ 23.03 million in Fiscal 2018, comprising of depreciation and amortization of property, plant and equipment, computer software. As a percentage of total income, depreciation and amortization costs were 5.24% and 2.44% in Fiscal 2017 and Fiscal 2018, respectively. The decrease is primarily attributable to a change in the accounting estimate of from written down value to straight line method.

Other Expenses

Other expenses increased by 10.98% from ₹ 124.91 million in Fiscal 2017 to ₹ 138.63 million in Fiscal 2018. The significant increase in other expenses is on account of growth in our operations for reasons mentioned below. As a percentage of total income, other expenses were 13.69% and 14.69%, in Fiscal 2017 and Fiscal 2018, respectively.

Consumption of stores and spare parts increased significantly by 113.74% from ₹ 18.33 million in Fiscal 2017 to ₹ 39.19 million in Fiscal 2018. This increase was primarily due to an increase in our production.

Our manufacturing expenses decreased by 3.19% from ₹ 25.64 million in Fiscal 2017 to ₹ 24.83 million in Fiscal 2018 due to an increase in our production,

Our power and fuel expenditure increased significantly from ₹ 19.37 million in Fiscal 2017 to ₹ 22.08 million in Fiscal 2018, due to an expansion of our operational facilities.

Profit before tax

Our profit before tax increased by 68.52% to ₹ 70.93 million in Fiscal 2018, compared to ₹ 42.09 million in Fiscal 2017. As a result, our profit before tax comprised of 4.61% and 7.52% of our total income in Fiscal 2017 and Fiscal 2018.

Total Tax expense

Our tax expense comprised of current tax expenditure, deferred tax and tax credit entitlement, and total tax expense decreased by 60.60% from ₹ 18.07 million in Fiscal 2017 to ₹ 7.12 million in Fiscal 2018.

Profit after tax

Our profit after tax was ₹ 63.81 million in Fiscal 2018, compared to ₹ 24.02 million in Fiscal 2017. As a result, our profit after tax comprised of 2.63% and 6.76% of our total income in Fiscal 2017 and Fiscal 2018.

Other Comprehensive Income

Our other comprehensive income decreased to ₹ 0.22 million in Fiscal 2018, compared to ₹ 0.89 million in Fiscal 2017 which comprised of 0.10% and 0.02% of our total income in Fiscal 2017 and Fiscal 2018.

The decrease in our other comprehensive income was attributable mainly to re-measurements in actuarial assumptions in defined benefit obligations such as an increase in our employee longevity.

Total Profit (loss) for the year

For the reasons discussed above, our restated profit for the year increased by 157.02% to ₹ 64.03 million in Fiscal 2018, compared to restated profit for the year of ₹ 24.91 million in Fiscal 2017.

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA")

For the reasons discussed above, our EBITDA increased by 13.35% from ₹ 142.47 million in Fiscal 2017 to ₹ 161.49 million in Fiscal 2018. Our EBITDA margin was 17.12% in Fiscal 2018 as compared to 15.62% in Fiscal 2017.

Standalone Results of Operations

The following table sets forth certain information with respect to our standalone results of operations for the periods indicated:

	Fiscal 2018		**Fiscal 2017**		**Fiscal 2016**	
Particulars	**(₹ million)**	**Percentage of total income (%)**	**(₹ million)**	**Percentage of total income (%)**	**(₹ million)**	**Percentage of total income (%)**
Income:						
Net Revenue from Operations	800.59	99.78%	791.48	95.08%	775.18	98.58%

Particulars	Fiscal 2018 (₹ million)	Fiscal 2018 Percentage of total income (%)	Fiscal 2017 (₹ million)	Fiscal 2017 Percentage of total income (%)	Fiscal 2016 (₹ million)	Fiscal 2016 Percentage of total income (%)
Other income	1.79	0.22%	40.94	4.92%	11.17	1.42%
Total Income	802.38	100.00%	832.42	100.00%	786.35	100.00%
Expenses:						
Cost of materials consumed	474.64	59.15%	548.98	65.95%	544.88	69.29%
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	3.26	0.41%	(3.54)	(0.43)%	(18.03)	(2.29)%
Employee benefits expense	45.31	5.65%	37.24	4.47%	43.97	5.59%
Finance costs	70.05	8.73%	48.43	5.82%	39.07	4.97%
Depreciation and Amortisation expenses	21.49	2.68%	47.04	5.65%	42.92	5.46%
Other expenses	128.06	15.96%	112.71	13.54%	98.97	12.59%
Total expenses	742.80	92.57%	790.85	95.01%	751.77	95.60%
Profit/(Loss) before sharing of profit of partnership firm	59.58	7.43%	41.57	4.99%	34.57	4.40%
Share of profit in Partnership firm	11.11	1.38%	0.11	0.01%	0.00	0.00%
Profit before Tax	70.69	8.81%	41.68	5.01%	34.57	4.40%
Tax expense:						
Current tax	12.20	1.52%	9.23	1.11%	8.87	1.13%
Deferred tax	1.99	0.25%	14.65	1.76%	2.77	0.35%
Tax Credit Entitlement	(11.08)	1.38%	(6.22)	(0.75)%	(6.63)	(0.84)%
Total Tax Expense	3.11	0.39%	17.66	2.12%	5.00	0.64%
Profit after Tax	67.58	8.42%	24.02	2.89%	29.57	3.76%
Other Comprehensive Income (Net of Tax)	0.19	0.02%	0.89	0.11%	0.11	0.01%
Total Profit (loss) for the Year	67.77	8.45%	24.91	2.99%	29.68	3.77%

 # The financial information used in this table for Fiscal 2016, Fiscal 2017 and Fiscal 2018 has been derived from the Restated Standalone Financial Statements.

The following table sets forth certain information with respect to our Earnings before Interest, Taxes, Depreciation and Amortization Expenses (EBITDA) for the periods indicated:

Particulars	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	(₹ million)	Percentage of total income % (net basis)	(₹ million)	Percentage of total income (%)	(₹ million)	Percentage of total income % (net basis)
EBITDA[1] (Excluding Share of Profit of Partnership Firm)	151.11	18.83%	137.03	16.46%	116.56	14.82%
EBITDA (Including Share of Profit of Partnership Firm)	162.22	20.22%	137.14	16.48%	116.56	14.82%

[1]*Calculated as per our Restated Net Profit (Loss) before Tax plus Depreciation and Amortization Expenses plus Finance Costs.*

Fiscal 2017 compared to Fiscals 2016 and 2018 respectively

Income

Total income increased by 5.86% from ₹ 786.35 million in Fiscal 2016 to ₹ 832.42 million in Fiscal 2017 and thereafter, decreased by 3.61% in Fiscal 2018 to ₹ 802.38 million as compared to the Fiscal 2017.The increase in total income reflects the growth in our existing businesses due to reasons mentioned below.

Net revenue from Operations

Net revenue from operations increased by 2.10% from ₹ 775.18 million in Fiscal 2016 to ₹ 791.48 million in Fiscal 2017 and thereafter, decreased by 1.15% in Fiscal 2018 to ₹ 800.59 million. The increase in net revenue from operations was attributable to an increase in sale of our products primarily driven by an increase in our efficiency due to installation of new machinery.

Our net revenue from operations comprises of sales of our products of ₹ 864.19 million and ₹ 812.43 million in Fiscal 2017 and Fiscal 2016, including sale of our security labels and other labels. Our other operating revenue includes revenue from plate development amounting to ₹ 0.58 million in Fiscal 2017 and no such income in Fiscal 2016. Our royalty receipts amounted to ₹ 0.62 million in Fiscal 2017 and ₹ 7.24 million in Fiscal 2016.

Other Income

Other income increased by 266.54% from ₹ 11.17 million in Fiscal 2016 to ₹ 40.94 million in Fiscal 2017 and thereafter, decreased by 95.63% in Fiscal 2018 to ₹ 1.79 million.

As a percentage of total income, other income was 1.42% in Fiscal 2016, 4.92% in Fiscal 2017 and 0.22% in Fiscal 2018. Other income primarily consisted of interest income that decreased from ₹ 2.93 million in Fiscal 2016 to ₹ 2.34 million in Fiscal 2017, as a result of decrease in our fixed deposits and insurance claim that decreased from ₹ 7.14 million in Fiscal 2016 to ₹ 1.01 million in Fiscal 2017, due to a one time insurance income arising out of natural calamity during Chennai floods. This decrease was offset by an increase in gain on re-measurement of financial liabilities by 100% from no such income in Fiscal 2016 to ₹ 36.95 million in Fiscal 2017.

Expenses

Total expenses increased by 5.20% from ₹ 751.77 million in Fiscal 2016 to ₹ 790.85 million in Fiscal 2017 and thereafter, decreased by 6.08% in Fiscal 2018 to ₹ 742.80 million as compared to Fiscal 2017.

As a percentage of total income, total expenses were 95.01% in Fiscal 2017, 95.60% in Fiscal 2016 and 92.57% in Fiscal 2018.

Cost of materials consumed

Cost of materials consumed increased marginally by 0.75% from ₹ 544.88 million in Fiscal 2016 to ₹ 548.98 million in Fiscal 2017 and thereafter, decreased by 13.54% in Fiscal 2018 to ₹ 474.64 million as compared to Fiscal 2017.

As a percentage of total income, cost of materials consumed were 59.15% in Fiscal 2018, 65.95% in Fiscal 2017 and 69.29% in Fiscal 2016. The marginal increase in cost of materials consumed was primarily attributable to a proportionate increase in sales.

Changes in Inventories of Finished Goods, Stock in Trade and Work-in-Progress

Changes in Inventories of Finished Goods, Stock in Trade and Work-in-Progress decreased substantially by 80.35% from ₹ (18.03) million in Fiscal 2016 to ₹ (3.54) million in Fiscal 2017 and further increased by 191.86% in Fiscal 2018 to ₹ 3.26 million.

The decrease in changes in inventories of finished goods, stock in trade and work-in-progress was primarily attributable to change in our inventory management due to an increase in inventory of finished goods, stock in trade and work-in-progress.

Employee Benefit Expenses

Employee benefits expenses decreased by 15.30% from ₹ 43.97 million in Fiscal 2016 to ₹ 37.24 million in Fiscal 2017 and increased by 21.66% in Fiscal 2018 to ₹ 45.31 million. As a percentage of total income, employee benefit expenses were 5.65% in Fiscal 2018, 4.47% in Fiscal 2017 and 5.59% in Fiscal 2016.

The decrease in employee benefit expenses was primarily attributable to the effects of demonetisation of the Indian Rupee during which our Company could function on a single shift basis and our employees were subjected to a rotational unpaid leaves policy.

Salaries, wages and bonus decreased by 16.54% from ₹ 42.78 million in Fiscal 2016 to ₹ 35.69 million in Fiscal 2017, while contribution to provident fund and other funds decreased from ₹ 0.35 million in Fiscal 2016 to ₹ 0.20 million in Fiscal 2017. Staff welfare expenses increased by 61.90% from ₹ 0.84 million in Fiscal 2016 to ₹ 1.36 million in Fiscal 2017.

Finance Costs

Finance costs increased by 23.97% from ₹ 39.07 million in Fiscal 2016 to ₹ 48.43 million in Fiscal 2017 and increased by 44.64% in Fiscal 2018 to ₹ 70.05 million, as compared to Fiscal 2017. As a percentage of total income, finance costs contributed to 4.97%, 5.82% and 8.73% in Fiscals 2016, 2017 and 2018 respectively. The increase in finance costs in Fiscal 2017 was a result of direct increase in capital expenditure funded by additional debt.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased by 9.59% from ₹ 42.92 million in Fiscal 2016 to ₹ 47.04 million in Fiscal 2017 and thereafter, decreased by 54.32% in Fiscal 2018 to ₹ 21.49 million, as compared to Fiscal 2017. Depreciation and amortization expenses include obsolescence of property, plant and equipment, computer software.

As a percentage of total income, depreciation and amortization costs were 5.46%, 5.65% and 2.68% in Fiscals 2016, 2017 and 2018 respectively. The increase is primarily attributable to adoption of the written down value method for depreciation accounting which resulted in an increase in the depreciation expense.

Other Expenses

Other expenses increased by 13.88% from ₹ 98.97 million in Fiscal 2016 to ₹ 112.71 million in Fiscal 2017 and increased by 13.62% in Fiscal 2018 to ₹ 128.06 million, as compared to Fiscal 2017. The significant increase in other expenses is on account of growth in our operations for reasons mentioned below.

As a percentage of total income, our other expenses were 12.59%, 13.54% and 15.96% in Fiscals 2016, 2017 and 2018 respectively. Consumption of stores and spare parts increased by 19.46% from ₹ 14.54 million in Fiscal 2016 to ₹ 17.37 million in Fiscal 2017. This increase was primarily due to a direct increase in our production.

Our manufacturing expenses increased by 21.95% from ₹ 21.03 million in Fiscal 2016 to ₹ 25.64 million in Fiscal 2017 due to a direct increase in our production.

Our power and fuel expenditure increased from ₹ 16.05 million in Fiscal 2016 to ₹ 18.37 million in Fiscal 2017, due to an expansion of our operational facilities.

Profit before tax

Our profit before tax including share of partnership firm increased by 20.57% to ₹ 41.68 million in Fiscal 2017, compared to ₹ 34.57 million in Fiscal 2016 and further increased by 69.60% to ₹ 70.69 million in Fiscal 2018, as compared to Fiscal 2017. As a result, our profit before tax comprised of 4.40%, 5.01% and 8.81% of our total income in Fiscals 2016, 2017 and 2018 respectively.

The increase was primarily attributable to acquisition of our partnership firm, M/s. Rokani and Sons in Fiscal 2017. Our share of profits in the firm is ninety-nine percent which amounted to ₹ 0.11 million contributing to a direct increase in our profits for the Fiscal 2017.

Total Tax Expense

Our tax expense comprised of current tax expenditure, deferred tax and tax credit entitlement, and total tax expense that increased by 253.15% from ₹ 5.00 million in Fiscal 2016 to ₹ 17.66 million in Fiscal 2017 and reduced by 82.39% to ₹ 3.11 million in Fiscal 2018, as compared to Fiscal 2017.

Profit after tax

Our profit after tax were ₹ 67.58 million in Fiscal 2018, ₹ 24.02 million in Fiscal 2017and ₹ 29.57 million in Fiscal 2016. As a result, our profit after tax comprised of 3.76%, 2.89% and 8.42% of our total income in Fiscals 2016, 2017 and 2018 respectively.

Other Comprehensive Income

Our other comprehensive income was ₹ 0.19 million, ₹ 0.89 million and ₹ 0.11 million in Fiscals 2018, 2017 and 2016 respectively. As a percentage of our total income, it comprised 0.01%, 0.11% and 0.02% in Fiscals 2016, 2017 and 2018 respectively.

The increase in our other comprehensive income was 701.84% in Fiscal 2017 and decrease by 78.76% in Fiscal 2018, which was attributable mainly to re-measurements in defined benefit obligations and related tax impact thereto.

Total Profit (loss) for the year

For the reasons discussed above, our restated income for the year was ₹ 24.91 million in Fiscal 2017, compared to restated profit for the year of ₹ 29.68 million in Fiscal 2016 and ₹ 67.77 million in Fiscal 2018.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

For the reasons discussed above, our EBITDA, excluding the share of profit of our partnership firm, M/s. Rokani and Sons, increased by 17.57% from ₹ 116.56 million in Fiscal 2016 to ₹ 137.03 million in Fiscal 2017 and further increased by 10.27% in Fiscal 2018 to ₹ 151.11 million, as compared to Fiscal 2017. Accordingly, our EBITDA margins were 18.83% in Fiscal 2018, 16.46% in Fiscal 2017 and 14.82% in Fiscal 2016.

Our EBITDA including the share of our partnership firm increased even further by 17.66% from ₹ 116.56 million in

Fiscal 2016 to ₹ 137.14 million in Fiscal 2017. For Fiscal 2018, our EBITDA increased by 18.29% to ₹ 162.22 million.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to fund our working capital requirements, capital expenditure and investments. We have funded these primarily through cash generated from operations and through share issuances.

We expect to meet our working capital, planned capital expenditure and investments for the next 24 months primarily from the cash flows from business operations, borrowings from banks and financial institutions and the proceeds of this Issue.

Cash Flows

Consolidated Cash Flows

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

(₹ in million)

Particulars	Fiscal 2017(#)	Fiscal 2018(#)
Net cash generated from/(used in) operating activities	62.91	172.59
Net cash generated from/(used in) investing activities	(194.57)	(116.48)
Net cash generated from/(used in) the financing activities	138.10	(65.96)
Net increase/(decrease) in cash and cash equivalents	6.44	(9.85)

 # The financial information used in this table for Fiscal 2017 and Fiscal 2018 has been derived from the Restated Consolidated Financial Statements.

Operating Activities

Fiscal 2018 vis-à-vis Fiscal 2017

Cash generated in operating activities was ₹ 172.59 million and ₹ 62.91 million in Fiscals 2018 and 2017 respectively. The operating cash flows before working capital changes were ₹ 166.09 million and ₹ 102.22 million in Fiscals 2018 and 2017 respectively.

The change in working capital amounted to ₹ 16.32 million in Fiscal 2018 and ₹ (30.72)million in Fiscal 2017. The increase was primarily due to decreases in other current financial assets of ₹ 11.44 million, other non-current financial assets of ₹ 0.66 million and increase in trade payables of ₹ 251.56 million, among others in Fiscal 2018. This was partially offset mainly by increase in trade receivables of ₹ 46.61 million and decrease in non-current trade payables of ₹ 165.00 million in Fiscal 2018.

Investing Activities

Fiscal 2018 vis-à-vis Fiscal 2017

Cash used in investing activities was ₹(116.48) million and ₹(194.57) million in Fiscal 2018 and Fiscal 2017. The change was primarily on account of a decrease in capital expenditure on property, plant and equipment in Fiscal 2018 amounting to ₹ 76.74 million.

Financing Activities

Fiscal 2018 vis-à-vis Fiscal 2017

Cash flow from financing activities was ₹ (65.96) million and ₹ 138.10 million in Fiscal 2018 and Fiscal 2017 respectively. The significant decrease was primarily on account of interest paid of ₹ 57.46 million and repayments from current borrowings of ₹ 50.13 million in Fiscal 2018. This was partially offset by proceeds from non-current financial borrowings of ₹ 20.96 million in Fiscal 2018.

Standalone Cash Flows

The following table sets forth certain information relating to our cash flows on a standalone basis for the periods indicated:

(₹ in million)

Particulars	Fiscal 2016(#)	Fiscal 2017(#)	Fiscal 2018(#)
Net cash generated from/(used in) operating activities	59.08	86.27	172.58
Net cash generated from/(used in) investing activities	(9.15)	(213.60)	(37.43)
Net cash generated from/(used in) the financing activities	(43.47)	117.20	(131.78)
Net increase/(decrease) in cash and cash equivalents	6.46	(10.13)	3.38

 # The financial information used in this table for Fiscal 2016, Fiscal 2017 and Fiscal 2018 has been derived from the Restated Standalone Financial Statements.

Operating Activities

Fiscal 2018 vis-à-vis Fiscal 2017 vis-à-vis Fiscal 2016

Cash generated in operating activities were ₹ 172.58, ₹ 86.27 million and ₹ 59.08 million in Fiscals 2018, 2017 and 2016 respectively. The operating cash flows before working capital changes were ₹156.81, ₹100.19 million and ₹113.14 million in Fiscals 2018, 2017 and 2016 respectively.

The change in working capital amounted to ₹ (5.33) million in Fiscal 2017 and ₹ (46.95) million in Fiscal 2016. The decrease was primarily due to decrease in inventories of ₹ 10.64 million and increase in non-current trades payable of ₹ 170.00 million in Fiscal 2017. This was partially offset mainly by decrease in current trade payables of ₹ 196.82 million and increase in other current assets of ₹ 25.22 million in Fiscal 2017.

The change in working capital amounted to ₹ 25.12 million in Fiscal 2018. The increase was primarily due to decrease in other current assets of ₹ 30.92 million, other current financial assets ₹ 9.69 million and increase in non-current trade payable of ₹ 190.00 million. This was partially offset by decrease in current trade payables of ₹ 266.20 million.

Investing Activities

Fiscal 2018 vis-à-vis Fiscal 2017 vis-à-vis Fiscal 2016

Cash used in investing activities were ₹ (37.43) million, ₹ (213.60) million and ₹ (9.15) million in Fiscals 2018, 2017 and 2016 respectively. The change was primarily on account of an increase in capital expenditure on property, plant and equipment in Fiscal 2017 amounting to ₹ 169.98 million and proceeds from sale of assets amounting to ₹ 2.27 million

Financing Activities

Fiscal 2018 vis-à-vis Fiscal 2017 vis-à-vis Fiscal 2016

Cash flow from financing activities were ₹ (131.78) million, ₹ 117.20 million and ₹ (43.47) million in Fiscals 2018, 2017 and 2016 respectively. The significant increase was primarily on account of additional new current borrowings availed by our Company amounting to ₹ 55.59 million as well as additional non-current financial borrowings of ₹ 48.51 million coupled by an increase in non-current financial liabilities of ₹ 48.61 million in Fiscal 2017.

However in Fiscal 2018, as compared to Fiscal 2017, the significant decrease was primarily on account of repayment of current borrowing of ₹ 62.22 million and interest paid amounting to ₹ 54.88 million.

Indebtedness

As of March 31, 2018, we had outstanding indebtedness on a consolidated basis of ₹ 404.15 million. The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2018:

Particulars	**Amount (₹ in million)**
Long term borrowings:	
Secured	214.74
Unsecured	32.59
Total long term borrowings	247.32
Short Term Borrowings:	
Secured	190.18
Unsecured	49.86
Total Short Term Borrowings	240.04

The principal amounts outstanding under the borrowings bear interest either at a fixed rate or at a floating rate. For further details, see "*Financial Indebtedness*" on page 320.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2018, aggregated by type of capital commitments:

(₹ in million)

Particulars	**Standalone**	**Consolidated**
Estimated amount of contracts remaining to be executed on capital account and not yet provided for (net of advances)	6.25	6.25

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities and commitments as of March 31, 2018:

(₹ in million)

Particulars	**Standalone**	**Consolidated**
Contingent Liabilities:		
Income tax matters*	1.71	1.71
Sales tax matters*	1.70	1.83
Guarantees given on behalf of the Company by banks	4.50	4.50
Duty saved on Export Promotion on Capital Goods ("**EPCG**") licenses	63.85	63.85
Interest with respect to the expired EPCG license	4.35	4.35
Total	**76.11**	**76.24**

**This does not include amounts towards certain additional penalty and interest that may devolve on the Company in the event of an adverse outcome, as the same is subjective and not capable of being presently quantified.*

For further details, see our Restated Consolidated Financial Statements on page 178.

Except as disclosed in our Restated Standalone Financial Statements or our Restated Consolidated Financial Statements or otherwise in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Historical and Planned Capital Expenditures

In Fiscal 2017 and 2018 on consolidated basis, our capital expenditure (excluding capital advances) was ₹ (203.09) million and ₹ (126.35) million, respectively.

We believe that our capital expenditures in Fiscal 2019 will be financed by funds generated from operations, borrowings as well as the proceeds from the Issue. Our actual capital expenditures may be significantly higher or lower than these planned amounts, or the timing of such expenditures may change, due to various factors, including, among others, changes in macroeconomic conditions, unplanned cost overruns and our ability to generate sufficient cash flows from operations.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Primarily these transactions include sales and purchases made during the year, loans given and received during the year and remuneration paid to Directors and KMPs. For further details relating to our related party transactions, see "*Related Party Transactions*" on page 176

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks in the ordinary course of business, including liquidity risk, credit risks and foreign currency risks.

Credit Risk

We are exposed to credit risk on amounts owed to us by our clients. If our clients do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts. In Fiscal 2016, 2017 and 2018, our trade receivables were ₹ 176.70 million, ₹ 191.09 million and ₹ 248.29 million, respectively.

Liquidity Risk

Liquidity risk arises from the absence of liquid resources, when funding loans to other corporates. This could be due to a decline in expected collection, or our inability to raise adequate resources at an appropriate price. This risk may be minimized through a mix of strategies, including the maintenance of back-up bank credit lines, having diversified sources for funding both long term and short term loans and following a forward looking borrowing program based on projected loans and maturing obligations.

Foreign Currency Risk

Foreign exchange risk arises from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹).

The risk is measured through a forecast of highly probable foreign currency cash flows. The Company's board of directors reviews the currency rates in volatile foreign exchange markets on regular basis to ensure the foreign currency exposure are in prescribed limit.

Cash Flow and Interest Rate Risk

The main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow and interest rate risk. The group's borrowings at variable rate were mainly denominated in INR.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Segment Reporting

Other than as disclosed in our Restated Consolidated Financial Statements, we do not follow any other segment reporting.

Significant Dependence on Clients

Revenues from any particular client may vary between financial reporting periods depending on the nature and term of ongoing contracts with such client. We are dependent on a limited number of clients for a substantial portion of our revenues.

Our largest client accounted for 16.26%, 12.75% and 22.76% of our revenue from operations in Fiscal 2016, 2017 and 2018, respectively. Our five largest clients accounted for approximately 54.47%, 48.01% and 54.32% of our revenue from operations in Fiscal 2016, 2017 and 2018, respectively.

Known Trends or Uncertainties

Other than as described in this section and in "*Risk Factors*" on page 17, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described in this section, "*Risk Factors*" and "*Our Business*" on pages 17 and 123, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Seasonality of Business

We do not consider our business to be seasonal in nature. However, our quarterly results of operations may fluctuate significantly as a result of a variety of factors, including seasonal trends in the Indian economy. See "*Risk Factors - Most of our revenue is derived from business in India and a decline in economic growth or political instability or changes in the Government in India could adversely affect our business*" on page 34.

Competitive Conditions

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 123, 103 and 17, respectively, for further details on competitive conditions that we face in our business.

Recent Accounting Pronouncements and Changes in Accounting Policies

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs ("**MCA**") has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the below mentioned standards.

Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. Our Company is evaluating the requirements of the amendment and the effect on the Financial statements will be given in due course.

Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition: (i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is Financial periods beginning on or after April 1, 2018. Our Company is evaluating the requirements of the amendment and the effect on the Financial statements will be given in due course.

Amendment to Ind AS 12

Amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. Our Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 40

An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. When an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the balance sheet) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment. Our Company is evaluating the requirements of the amendment and its impact on the financial statements.

For further information, see "*Financial Statements*" on page 178.

Except as disclosed in this Draft Red Herring Prospectus, there have been no changes in our accounting policies in the last three fiscal years/ periods.

Auditor's Observations

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our Statutory Auditors in their audit reports on the audited consolidated and unconsolidated financial statements for the last five Fiscals preceding the date of this Draft Red Herring Prospectus.

Significant Developments after March 31, 2018 that May Affect our Future Results of Operations

Except as disclosed in this Draft Red Herring Prospectus, including under "– *Recent Developments*", "*Our Business*" and "*Risk Factors*", to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company and our Partnership Firm, M/s. Rokani and Sons together with a brief description of certain significant terms of such financing arrangements. As on September 15, 2018, our total outstanding secured borrowing was ₹ 336.54 million and total outstanding unsecured borrowing was ₹ 90.25 million. As on September 15, 2018, M/s. Rokani and Sons' total outstanding secured borrowing was ₹ 94.52 million.

C. SECURED BORROWING OF OUR COMPANY

Type of Loan	Sanctioned Amount (₹ in million)	Amount outstanding as on September 15, 2018 (₹ in million)	Rate of interest/ Commission	Tenor/ Period	Purpose	Security Provided
			Bank of India			
Cash credit/ Working capital	150.00	138.67	11.40% p.a. floating interest	12 months subject to annual review and repayable on demand	Working capital	-Hypothecation of stock, book debts, plant and machinery, car; -Pledge of fixed deposit towards margin on bank guarantee @25%; -Equitable mortgage of residential property situated at Plot no. 67, Block – B, Sector – 55, Noida in the name of Tilak Raj Sondhi; -Extension of charge of residential property situated at 7th floor, E-703, Plot-12, Pavitra apartments, Vasundhara Enclave, New Delhi in the name of Poonam Sondhi; -Assignment of LIC policies of Sanjeev Sondhi and Poonam Sondhi.
Term loan	130.50	67.74	11.40% p.a. floating interest	60 months	Purchase of machinery	Hypothecation of plant and machinery.
Housing	9.32	9.28	8.50% p.a.	216 months	Purchase of flat	-Equitable

Type of Loan	Sanctioned Amount (₹ in million)	Amount outstanding as on September 15, 2018 (₹ in million)	Rate of interest/ Commission	Tenor/ Period	Purpose	Security Provided
loan			floating interest	beginning 5 months after first disbursement		mortgage of flat situated at Pinnacle Residency, 152/9/84, Rajpur Road; -Personal guarantee of Sanjeev Sondhi and Poonam Sondhi.
Vehicle loan	3.30	2.75	9.25% p.a.	60 months	Purchase of Ford Endeavour and Maruti Vitara Brezza	Hypothecation of vehicles to be funded and spare tools.
Tata Capital Financial Services Limited						
Equipment finance	123.84*	107.90	12.20% p.a. and 11.50% p.a.	72 months	Purchase of equipment	- Hypothecation of machinery purchased or to be purchased out of the fund; - Personal guarantee of Sanjeev Sondhi and Poonam Sondhi.
Hero Fincorp Limited						
Machinery term loan	9.35**	5.31	12.50% p.a.	48 months	Purchase of machinery	- Hypothecation of specific machinery financed out of the facility; - Personal guarantee of Sanjeev Sondhi and Poonam Sondhi.
ICICI Bank Limited						
Vehicle loan	8.75	4.90	8.51% p.a.	36 months	Purchase of vehicle	Hypothecation of vehicles to be funded and spare tools.

**Our Company has created a combined charge on ₹ 123.84 million sanctioned by Tata Capital Financial Services Limited which includes a fund based limit of ₹ 71.23 million and non-fund based buyer's credit of EUR 547,230 converted into ₹ 45.95 million on exchange rate of ₹ 83.977 per EUR as on September 14, 2018;*

***Our Company and Hero Fincorp Limited have not filed Form CHG-1 with the RoC for creation of charge on total loan amount of ₹ 9.35 million in 2016, hence the charge is not being reflected in the Index of Charges on the MCA website.*

D. UNSECURED BORROWING OF OUR COMPANY

Type of Loan	Sanctioned Amount (₹ in million)	Amount outstanding as on September 15, 2018 (₹ in million)	Rate of interest/ Commission	Tenor/ Period	Terms of repayment
Deutsche Bank AG					
Business instalment loan	5.00	2.83	12.80% p.a. floating interest	36 months and repayable on demand.	EMI of ₹ 180,281 for a period of 36 months.
HDFC Bank Limited					
Business loan	5.00	1.62	16.50% p.a.	24 months and repayable on demand.	EMI of ₹ 242,433 for a period of 24 months.
IndusInd Bank Limited					
Business loan	5.00	4.54	17.50% p.a.	18 months and repayable on demand.	EMI of ₹ 317,838 for a period of 18 months
Kotak Mahindra Bank Limited					
Personal finance	3.50	1.14	14.75% p.a.	13 months and repayable on demand.	EMI of ₹ 292,962 for a period of 13 months
Axis Bank Limited					
Personal loan	5.00	4.82	16.00% p.a.	36 months and repayable on demand.	EMI of ₹ 175,785 for a period of 36 months
Aditya Birla Finance Limited					
Business loan	5.00	3.11	17.50% p.a.	36 months and repayable on demand.	EMI of ₹ 179,511 for a period of 36 months
Capital First Limited					
Business loan	5.50	3.89	17.00% p.a.	24 months and repayable on demand.	EMI of ₹ 271,933 for a period of 24 months
Yes Bank Limited					
Channel finance working capital facility	50.00	50.02	11.20% p.a. floating interest	40 days and repayable on demand.	The loan shall be repayable on demand of the lender and if not demanded earlier, shall be repaid within 60 days.
Edelweiss Retail Finance Limited					
Business loan	4.00	2.60	17.50% p.a.	36 months and repayable on	EMI of ₹ 143,609 for a

Type of Loan	Sanctioned Amount (₹ in million)	Amount outstanding as on September 15, 2018 (₹ in million)	Rate of interest/ Commission	Tenor/ Period	Terms of repayment
				demand.	period of 36 months; Co-borrower: Sanjeev Sondhi
Fullerton India Credit Company Limited					
Working capital loan	5.00	2.94	16.50% p.a.	18 months and repayable on demand.	EMI of ₹ 315,466 for a period of 18 months; Co-borrower: Sanjeev Sondhi
Magma Fincorp Limited					
Small medium enterprise loan	5.00	4.67	17.50% p.a.	24 months and repayable on demand.	EMI of ₹ 248,708 for a period of 24 months
Capital Float					
Business loan	5.00	4.68	18.00% p.a.	720 days and repayable on demand.	EMI of ₹ 249,805 for a period of 720 days
IVL Finance Limited					
Business loan	3.40	3.40	18.00% p.a.	36 months and repayable on demand.	EMI of ₹ 122,919 for a period of 36 months

E. SECURED BORROWING OF OUR SUBSIDIARY

Secured borrowings of our Subsidiary, M/s. Rokani and Sons are set forth below:

Type of Loan	Sanctioned Amount (₹ in million)	Amount outstanding as on September 15, 2018 (₹ in million)	Rate of interest/ Commission	Tenor/ Period	Purpose	Security Provided
Bank of India						
Cash credit/ Working capital	50.00	46.82	12.10% p.a. floating interest	Repayable on demand	Working capital	Hypothecation of stock, book debts, plant and machinery, car
Term loan	41.60	42.21	12.10% p.a. floating interest	60 months	Purchase of machinery	Hypothecation of current assets and plant and machinery
Term loan	7.50	5.24		36 months		
Vehicle loan	0.27	0.25	8.90% p.a. floating interest	60 months	Purchase of the vehicle, Maruti Omni	Hypothecation of the vehicle to be funded and its spare tools.

Principal Terms of Financing Arrangements –

In terms of our facility agreements, certain corporate actions by our Company require the prior intimation to/ prior written consent of the lenders. These include:

- material and adverse changes in including but not limited to projects or business, ownership, management, liquidity, financial position;

- create or permit to subsist any mortgage, charge (whether floating or specific), pledge or lien or other security interest on the Company's undertakings, properties or assets or undertake guarantee or obligations on behalf of another company or firm or person;

- change the constitution, composition, undertake merger, demerger, consolidation, reorganisation, dissolution or reconstitution, scheme of arrangement or compromise with the creditors or shareholders or effect any scheme of amalgamation, reconstruction or dissolution or reconstitution including creation of any subsidiary or permit any company to become its subsidiary;

- create or permit to subsist any encumbrance or any type of borrowing arrangement with any other bank or financial institution, company, firm or otherwise or accept deposits in excess of the limits laid down by the Reserve Bank of India;

- invest by way of share capital in or lend or advance funds to or place deposits with any other company/ firm/ concern including group companies, associates, persons;

- declare or pay any dividend or authorise or make any distribution to its shareholders or members, partners or permit withdrawal of amounts brought in (i) unless it has paid all the dues in respect of the facilities up to the date on which the dividend is proposed to be declared or paid/ such distribution is to be made, or has made provisions therefore satisfactory to the bank; or (ii) if an event of default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorisation or making distribution;

- undertake any new project, diversification, modernization, which are material in nature, or substantial expansion of its projects;

- make any investments whether by way of deposits, loans or investment in share capital or otherwise in any concern or provide any credit or give any guarantee, indemnity or similar assurance;

- carry out any material change in its business and/ or engage in any business or activities other than those which the borrower is currently engaged in, either alone or in partnership or joint venture with any other person, nor acquire any ownership interest in any other entity or person or enter into any profit – sharing or royalty agreement or other similar arrangement whereby the borrower's income or profits are, or might be, shared with any other entity or person, or enter into any management contract or similar arrangement whereby its business or operations are managed by other person;

- effect any change to its capital structure in any manner whatsoever or issue securities whether on a preferential basis or otherwise;

- approach capital market for mobilizing additional resources either in the form of debt and equity;

- remove or cause to be removed the hypothecated goods from the premises without the lender's consent;

- repay monies contributed by the promoters, partners, directors, shareholders, their relatives and friends in the business of the company or firm by way of deposits, loans, share application money;

- undertake any litigation, arbitration, investigative or administrative proceeding which is current, pending or threatened, which has or could reasonably be expected to have a material adverse effect;

- undergo any distress or other process of court against any of the Company’s premises and/or property and/or assets;
- receive any notice or intimation from any government, semi-government, road transport, revenue, municipal or local or other authorities regarding any default or delay in payment of any taxes, fees, cess, rents or any statutory or any other dues or liability.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal litigation involving our Company, Subsidiary, Directors, Promoter, or Group Company, (ii) outstanding actions by any statutory or regulatory authorities involving our Company, Subsidiary, Directors, Promoter, or Group Company, (iii) outstanding claim involving our Company, Subsidiary, Directors, Promoter, or Group Company for any direct or indirect tax liabilities, respectively, on a consolidated basis.

Further, except as stated in this section, there are no (i) outstanding other pending litigation involving our Company, Subsidiaries, Directors, Promoter, Group Company or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations, (ii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations, and (iii) outstanding dues to small scale undertakings and other creditors. With respect to point (i) above, our Board, in its meeting held on August 10, 2018, has adopted a policy for identification of material legal proceedings ("Materiality Policy"). For the purposes of disclosure, pursuant to the SEBI ICDR Regulations and the Materiality Policy, (i) all pending litigation involving our Company, Subsidiary, Directors, Promoter, or Group Company, in addition to criminal proceedings, taxation matters, and regulatory actions, would be considered 'material', if the monetary amount of claim by or against the entity or person in such proceeding is 1% (or in excess of 1%) of the total restated revenue of our Company as per the Restated Consolidated Financial Information for the Financial Year Ended March 31, 2018, being ₹ 9.6 million, and (ii) pending proceedings involving the abovementioned persons whose outcome may have a bearing on the business, operations, prospects, or reputation of our Company are considered 'material', and disclosed in this Draft Red Herring Prospectus.

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company, the Subsidiaries, Directors, Promoter, and the Group Company shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of our Subsidiaries, Directors, Promoter, and our Group Company, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, in terms of the Materiality Policy, our Company considers such creditors 'material' to whom the amount due exceeds five per cent of the total amounts owed to creditors of our Company as per the Restated Consolidated Financial Information for the Financial Year Ended March 31, 2018 included in this Draft Red Herring Prospectus i.e. ₹ 15.45 million, and accordingly the details of the aggregate outstanding dues to such material creditors have been disclosed in this Draft Red Herring Prospectus in a consolidated manner.

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Red Herring Prospectus.

All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal proceedings against our Company

NIL

Criminal proceedings initiated by our Company

NIL

B. Pending action by statutory or regulatory authorities against our Company

NIL

C. Tax proceedings against our Company

Set forth below are details of the tax proceedings initiated against our Company:

Direct Tax

(₹ in million)

Particulars of the case involved	Number of cases outstanding	Total amount involved in such proceedings
Income Tax	15	1.71

Indirect Tax

(₹ in million)

Particulars of the case involved	Number of cases outstanding	Total amount involved in such proceedings
Sales Tax / VAT and CST Proceedings	6	1.83

D. Outstanding litigation involving our Company

Civil litigations initiated against our Company

NIL

Civil litigations initiated by our Company

NIL

E. Outstanding litigation against any other persons whose outcome could have an adverse effect on our Company

NIL

F. Notices received by our Company

NIL

G. Outstanding dues to small scale undertakings or any other creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 15.45 million, which is 5% of the total outstanding dues of our Company as per our Restated Consolidated Financial Information for the Financial Year ended March 31, 2018, was outstanding, were considered 'material' creditors. Based on the above there is 1 'material' creditor as on March 31, 2018 to whom an aggregate amount of ₹ ₹ 237.86 million and ₹ 189.04 million is outstanding on a consolidated and standalone basis respectively.

The details of our outstanding dues to creditors, as on March 31, 2018 as per our Restated Consolidated Financial Information are as follows:

Particulars	Number of creditors	Amount outstanding (₹ in million)
Small scale undertakings	NIL	NIL
Dues to 'material' creditor	1	237.86
Dues to other creditors	193	71.07
Total	**194**	**308.93**

The details of our outstanding dues to creditors, as on March 31, 2018 as per our Restated Standalone Financial Information are as follows:

Particulars	Number of creditors	Amount outstanding (₹ in million)
Small scale undertakings	NIL	NIL
Dues to 'material' creditor	1	189.04
Dues to other creditors	181	62.32
Total	**182**	**251.36**

Complete details of outstanding dues to our creditors as on March 31, 2018 are available at the website of our Company, www.zircontech.com. Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.zircontech.com, would be doing so at their own risk.

II. Litigation involving our Directors

A. Outstanding criminal proceedings involving our Directors

Criminal proceedings against our Directors

NIL

Criminal proceedings initiated by our Directors

NIL

B. Pending action by statutory or regulatory authorities against our Directors

NIL

C. Tax proceedings against our Directors

NIL

D. Material outstanding litigation involving our Directors

Material civil litigations initiated against our Directors

NIL

Material civil litigations initiated by our Directors

NIL

III. Litigation involving our Promoter

A. Outstanding criminal proceedings involving our Promoter

Criminal proceedings against our Promoter

NIL

Criminal proceedings initiated by our Promoter

NIL

B. Pending action by statutory or regulatory authorities against our Promoter

NIL

C. Tax proceedings against our Promoter

NIL

D. Material outstanding litigation involving our Promoter

Civil litigations initiated against our Promoter

NIL

Civil litigations initiated by our Promoter

NIL

IV. Litigations involving our Group Company

A. Outstanding criminal proceedings involving our Group Company

Criminal proceedings against our Group Company

NIL

Criminal proceedings initiated by our Group Company

NIL

B. Pending action by statutory or regulatory authorities against our Group Company

NIL

C. Tax proceedings against our Group Company

NIL

D. Material outstanding litigation involving our Group Company

Civil litigations initiated against our Group Company

NIL

Civil litigations initiated by our Group Company

NIL

V. Litigations involving our Subsidiary

A. Outstanding criminal proceedings involving our Subsidiary

Criminal proceedings initiated against our Subsidiary

NIL

Criminal proceedings initiated by our Subsidiary

NIL

B. Pending action by statutory or regulatory authorities against our Subsidiary

NIL

C. Tax proceedings against our Subsidiary

NIL

VI. Material developments since the last balance sheet date

Except as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Recent Developments*" on page 293, there have been no developments subsequent to March 31, 2018 that are expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

GOVERNMENT AND OTHER APPROVALS

Our Company can undertake the Issue and can undertake its current business activities, on the basis of the indicative list of material approvals, licenses, registrations and permits provided below, and other than as stated below, no further material approvals, licenses, registrations and permits are required from any regulatory authority to undertake the Issue or continue such business activities. Unless otherwise stated, these approvals, licenses, registrations and permits are valid as of the date of this Draft Red Herring Prospectus. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 138.

I. Approvals in relation to the Issue

For the approvals and authorizations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures – Authority for the Issue*" on page 334.

II. Approvals in relation to Incorporation of our Company

1. Certificate of incorporation dated February 16, 1999 issued by the Registrar of Companies, NCT of Delhi & Haryana under the Companies Act, 1956.

2. Fresh certificate of incorporation consequent upon change of name dated January 23, 2003 issued by Registrar of Companies, NCT of Delhi & Haryana under the Companies Act, 1956.

3. Fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 27, 2008 issued by Registrar of Companies, NCT of Delhi & Haryana under the Companies Act, 1956.

4. Fresh certificate of incorporation consequent upon change of name dated July 15, 2008 issued by Registrar of Companies, NCT of Delhi & Haryana under the Companies Act, 1956.

III. Approvals under tax laws

1. Permanent Account Number (AAACZ1386R) issued by the Income Tax Department, Government of India.

2. Tax Deduction Account Number (DEL-Z00303C) issued by the Income Tax Department, Government of India.

3. Registration certificate of goods and services tax (GST) for our facilities in Dehradun (05AAACZ1386R1ZP) and Chennai (33AAACZ1386R1ZQ), and for our registered office in Delhi (07AAACZ1386R2ZK).

4. Professional tax payer registration enrollment certificate for our operations in Chennai.

IV. Approvals in relation to the business operations of our Company

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

1. Labour related approvals and legislations

We are required to obtain various approvals for setting up and operating our manufacturing facilities, under the Factories Act and the specific rules made for each state under the Factories Act. We also employ contract labourers in our factories under the Contract Labour (Regulation and Abolition) Act, 1970. Additionally, we are in compliance with the provisions of the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Child Labour (Prohibition and Regulation Act, 1986).

2. Environmental approvals and legislations

We are required to obtain various environmental clearances for operating our manufacturing facilities, which include consent to operate under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974, and the Hazardous and Other Wastes (Management and Transboundary Movement Rules), 2016.

3. Shops and establishments' registration

In Delhi, where our registered office is located, we are required to obtain a registration under the Delhi Shops and Establishments Act, 1954, which is valid as on the date of this Draft Red Herring Prospectus.

V. Approvals in relation to intellectual property of our Company

Trademarks

As on the date of this Draft Red Herring Prospectus, our Company has 3 registered trademarks under the Trademarks Act, which are currently operational, the details of which are set forth below:

Sr. No.	Particulars	Trademark No.	Class	Date of Application
1.	ZIRCON Technology & Innovation at work	2120103	40	March 23, 2011
2.	ZIRCON Technology & Innovation at work	2120104	16	March 23, 2011
3.	ZIRCON Technology & Innovation at work	2120105	9	March 23, 2011

We have also made the following application under the Trademarks Act:

Sr. No.	Particulars	Application No.	Class	Date of Application
1.	ig-gram	3945146	40	September 14, 2018
2.	ig-gram	3945145	16	September 14, 2018
3.	ig-gram	3945144	9	September 14, 2018

Patent

As on the date of this Draft Red Herring Prospectus, we have made an application to the Controller of Patents, New Delhi for registration of a patent bearing application number 1881/DEL/2011 under the Patents Act, 1970 for the "*Method of Providing a Scratch-able Printed Matter*" which is pending registration as on the date of this Draft Red Herring Prospectus.

VI. Licenses for which applications have been made but not yet received

1. Application dated July 09, 2018 to the Secretary, State Level Environment Impact Assessment Authority, Dehradun, Uttarakhand, for the grant of environment clearance for the use of our generator set of 500 kVA at our unit in Dehradun.

2. Application for Registration Certificate of Establishments employing Contract Labour for our Chennai factory.

VII. Licenses / approvals which have expired and for which renewal applications have been made by our Company.

NIL

VIII. Licenses / approvals which are required but not yet applied for by our Company

NIL

IX. Licenses / approvals expired for which no application has been made by our Company

NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

- The Board, pursuant to its resolution dated August 30, 2018, authorized the Issue subject to approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013.
- The Shareholders of our Company have, by a special resolution dated September 10, 2018, approved and authorized the Issue and authorized the Board to take decisions in relation to this Issue.
- The Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated September 19, 2018.
- In-principle approval for the listing of our Equity Shares from NSE dated [●].
- In-principle approval for the listing of our Equity Shares from BSE dated [●].

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of the Promoter Group or our Group Company have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoter or Directors are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or the entities that our Directors are associated with are engaged in or associated with the securities market, in any manner, or are registered with SEBI.

There has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoter or directors.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India or abroad.

Prohibition by RBI

Neither our Company, nor our Promoter, relatives (as defined under the Companies Act) of our Promoter, Directors or Group Company have been categorized as wilful defaulters as defined under the SEBI ICDR Regulations. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net issue to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.*"

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI ICDR Regulations.

We are complying with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Issue is proposed to be Allotted to QIBs and in the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

We are complying with Regulation 43(2A) of the SEBI ICDR Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not more than 15% and 10% of the Issue, respectively.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be refunded. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI ICDR Regulations:

i. Our Company, our Promoter, the members of our Promoter Group, persons in control of our Company and our Directors are not debarred from accessing the capital markets by SEBI;

ii. The companies with which our Promoter, or our Directors or persons in control of our Company are or were associated as promoter or director or as person in control are not debarred from accessing capital markets under any order or direction passed by SEBI;

iii. Our Company has applied to BSE and NSE for obtaining their in-principle approvals for listing of the Equity Shares under this Issue and has received the in-principle approvals from BSE and NSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, pursuant to a resolution of our Board, the [●] shall be the Designated Stock Exchange;

iv. Our Company along with the Registrar to the Issue has entered into tripartite agreements dated July 14, 2018 and July 06, 2018 with the NSDL and CDSL, respectively, for dematerialization of the Equity Shares; and

v. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

Further, the entire requirement of funds towards objects of the Issue, will be met from the Net Proceeds. 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 Fresh Issue.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING SYSTEMATIX CORPORATE SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, SYSTEMATIX CORPORATE SERVICES 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, SYSTEMATIX CORPORATE SERVICES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 21, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGER TO THE FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 21, 2018 ("DRHP") PERTAINING TO THE SAID ISSUE.**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, 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 COMPANY, WE CONFIRM THAT:**

   a. **THE DRHP FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") 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 SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   c. **THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP. – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRHP - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE.</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S 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 SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – <u>NOT APPLICABLE.</u>**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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 COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – <u>COMPLIED WITH TO THE EXTENT APPLICABLE.</u>**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES 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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – <u>NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.</u>**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – <u>NOT APPLICABLE. IN ACCORDANCE WITH SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE SHALL BE ISSUED IN DEMATERIALISED FORM ONLY.</u>**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**

    a. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE ISSUE. – <u>NOTED FOR COMPLIANCE</u>.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. – COMPLIED WITH.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – COMPLIED WITH.**

16. **WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE), AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR. – COMPLIED WITH.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, REPORTED IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD 24, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRHP, AS CERTIFIED BY M/S. SINGHI & CO. PURSUANT TO ITS CERTIFICATE DATED SEPTEMBER 15, 2018.**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE.**

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY OR ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS DRAFT RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS, THE RED HERRING PROSPECTUS AND THE PROSPECTUS.

All legal requirements pertaining to the Issue have been complied with by the respective parties at the time of filing of this Draft Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with by the respective parties at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, our Directors and the BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.zircontech.com, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and its associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter, and Promoter Group and their respective directors and officers, group company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter and Promoter Group and their group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Price information of past issues handled by the BRLM

Systematix Corporate Services Limited

Price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by Systematix Corporate Services Limited:

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening price on listing date (₹)	+/-% change in closing price, [+/-% change in closing benchmark]-30th calendar day from listing	+/-% change in closing price, [+/-% change in closing benchmark]-90th calendar day from listing	+/-% change in closing price, [+/-% change in closing benchmark]-180th calendar day from listing
1.	Jash Engineering Limited	480.09	120	October 11, 2017	144	27.12% [+4.56%]	47.12% [+6.53%]	-2.40% [+3.95%]
2.	CMM Infraprojects Limited	181.8	40	October 12, 2017	46.5	42.84% [+3.24%]	115.27% [+5.31%]	40.83% [+3.03%]
3.	Uniinfo Telecom Services Limited	155.87	55	March 15, 2018	56	-6.19% [+1.62%]	-22.87% [+4.79%]	-43.86% [+8.95%]
4.	AVG Logistics Ltd.	330.63	107	April 11, 2018	113	10.71% [+3.74%]	-19.02% [+5.09%]	NA

Notes:

(a) Source: www.nseindia.com for the price information

(b) Wherever $30^{th}/90^{th}/180^{th}$ calendar day from the listing day is a holiday, the closing data of the next trading day has been considered.

(c) The Nifty 50 index is considered as the benchmark index.

Summary statement of price information of past public issues handled by Systematix Corporate Services Limited

Financial Year	Total No. Of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount – 30th calendar day from listing			No. of IPOs trading at premium – 30th calendar day from listing			No. of IPOs trading at discount – 180th calendar day from listing			No. of IPOs trading at premium – 180th calendar day 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%
2017-18	3	817.76	-	-	-	-	2	-	-	1	1	-	1	-
2018-19	1	330.63	-	-	-	-	-	1	-	-	-	-	-	-

**The information is as on the date of the document*

The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the website of the BRLM, www.systematixgroup.in.

Disclaimer in respect of Jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised 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), NBFC-SIs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted non-residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

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 Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be issued or sold, directly or indirectly, and this Draft 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 Draft 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 under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States pursuant to Regulation S.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi – 110 001, Delhi, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, NCT of Delhi & Haryana, situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019, Delhi, India.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications shall be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Issue. [●] will be the Designated Stock Exchange with which the Basis of Allotment will 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 Exchanges mentioned above, our Company may forthwith repay (in proportion to the Equity Shares offered by each of them respectively, in the Issue), all monies received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/Issue Closing Date or within such other period as may be prescribed. If our Company does not allot Equity Shares within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest the application money, failing which interest shall be paid to the Bidders at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of Section 38(1) of the Companies Act, 2013 which is reproduced below:

"Any person who:

a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, lenders to our Company, Bankers to our Company, Bank of India; and (b) the BRLM, the Syndicate Members, the Public Offer Bank(s), the Escrow Collection Bank(s), Refund Banker and the Registrar to the Issue to act in their respective capacities, have been obtained/ will be obtained prior to filing of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with RoC.

Our Company has received written consent dated September 15, 2018 from our Statutory Auditors, namely, Singhi & Co., Chartered Accountants, for inclusion of their reports, dated September 12, 2018 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements in this Draft Red Herring Prospectus and to include their name in this Draft Red Herring Prospectus and the SEBI ICDR Regulations, and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated September 15, 2018 in the form and context in which it appears in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Experts

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

Our Company has received written consent dated September 15, 2018 from our Statutory Auditor, namely, Singhi & Co., Chartered Accountants to include their name in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination reports, dated September 12, 2018 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements and the Statement of Tax Benefits dated September 15, 2018 and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term 'expert' and consent thereof, does not represent an "expert" within the meaning under the Securities Act.

Issue related expenses

The expenses of the Issue include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing, auditor's fees and listing fees. For further details of Issue related expenses, see "*Objects of the Issue*" on page 85.

Upon the listing and trading of the Equity Shares on the Stock Exchanges, all Issue related expenses shall be borne by the Company in accordance with applicable law.

Fees Payable to Syndicate

The total fees payable to Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at the Registered Office from 10:00 am to 4:00 pm on Working Days from the date of filing of the Red Herring Prospectus until the Bid/ Issue Closing Date. For details, see "*Objects of the* Issue" on page 85.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see "*Objects of the Issue*" on page 85.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for, *inter alia*, processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated September 17, 2018 entered into between our Company and the Registrar to the Issue, a copy of which is available for inspection at the Registered Office from 10:00 am to 4:00 pm on Working Days from the date of filing of the Red Herring Prospectus until the Bid/ Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to Registrar to the Issue to enable it to send refund in any of the modes described in the Red Herring Prospectus or Allotment advice by registered post/speed post. For details, see "*Objects of the Issue*" on page 85.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is an initial public offering of the Equity Shares of 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 the Equity Shares since our Company's inception.

Particulars regarding public or rights issues by our Company during the last five years

Except as disclosed in *"Capital Structure"* on page 74, our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous capital issues otherwise than for cash

Except as disclosed in *"Capital Structure"* on page 74, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Previous capital issue during the previous three years by listed group company of our Company

Our Group Company is not listed on any stock exchange nor has it undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Last issue of Group Company

Our Group Company is not a listed company. Accordingly, the requirement to disclose shortfall in terms of performance vis-à-vis objects for any of the previous issues does not apply.

Performance vis-à-vis objects – Last three issues of our Company

Except as disclosed below, our Company has not undertaken any rights issues in the 10 years immediately preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Date	Number of Equity Shares offered	Number of Equity Shares allotted	Issue Price
1.	March 31, 2013	40,000	40,000	10
2.	March 31, 2010	150,000	150,000	10
3.	March 31, 2008	40,300	40,300	10

Our Company has met the objects mentioned in the respective offer documents of the last three rights issues undertaken by our Company since inception.

Further, our Company has not undertaken any public issues in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Outstanding Debentures, Bonds or other instruments

Our Company does not have any outstanding debentures, bonds or other instruments as of the date of this Draft Red Herring Prospectus.

Previous issues of securities otherwise than for cash or bonus

Except as disclosed in the "*Capital Structure*" on page 74, our Company has not issued any specified securities for consideration otherwise than for cash or bonus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for the retention of records with Registrar to the Issue for a period of at least five years from the date of listing and commencement of trading of the Equity Shares, demat credit and refund orders to enable the investors to approach Registrar to the Issue for redressal of their grievances.

All grievances other than of Anchor Investors 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.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations or the relevant Registered Broker if the Bid was submitted through Registered Brokers, as the case may be, giving full details such as name and address of the sole or the First Bidder, the Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of the Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Registered Broker or the Designated Branch, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs, Syndicate Members, RTA, CDPs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Anchor Investor, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Disposal of investor grievances by listed companies under the same management

As on the date of this Draft Red Herring Prospectus, none of the companies under the same management as that of our Company are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company does not apply.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or Registrar to the Issue or SCSB, for the redressal of routine investor grievances shall be 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.

Our Company has constituted a Stakeholders' Relationship Committee comprising, Pramod Agarwal as the Chairman, Ashwani Kumar Punn, Shailendra Sharma and Sanjeev Sondhi as members. For details of the Stakeholders' Relationship Committee, see "*Our Management*" on page 154.

Our Company has also appointed Akansha Sharma, the Company Secretary of our Company, as the Compliance Officer for the Issue and she may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Zircon Technologies (India) Limited
Khasra No. 1017, 1019, 1021,
Camp Road (Behind Selaqui Hotel),
Selaqui, Dehradun – 248 197,
Uttarakhand, India
Telephone: +91 13 5269 8156
Fax: +91 13 5269 8330
Email: investors@zircontech.com

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Changes in Auditors

Except as disclosed below, there has been no change in the statutory auditors of our Company during the last three years preceding the date of this Draft Red Herring Prospectus:

Name of Auditor	Date of appointment/ Resignation	Reason for change
Singhi & Co., Chartered Accountants	August 10, 2018	Appointment
K.B. Chandna & Co., Chartered Accountants	July 20, 2018	Resignation
K.B. Chandna & Co., Chartered Accountants	September 30, 2017	Appointment

Capitalisation of Reserves or Profits

Except as stated in "*Capital Structure – Issue of Equity Shares for consideration other than cash or through bonus or out of revaluation reserves*" on page 76, our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the five years preceding the date of this Draft Red Herring Prospectus.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, 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 the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Ranking of the Equity Shares

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association, the SEBI Listing Regulations and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of Articles of Association*" on page 403.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 177 and 403, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the price band is [●] per Equity Share and at the higher end of the Price Band is [●] per Equity Share. The Anchor Investor Issue Price is [●] per Equity Share.

The Price Band 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 editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), 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 on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares issued by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

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, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers 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 laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of Articles of Association*" on page 403.

Option to receive Equity Shares in Dematerialised Form

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 among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated July 14, 2018 entered into between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated July 06, 2018 entered into between CDSL, our Company and Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Issue Procedure*" beginning on page 355.

Period of operation of subscription list

See "*Terms of the Issue– Bid/ Issue Programme*" on page 349.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Delhi, India.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. 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:

(a) to register himself or herself as the holder of the Equity Shares; or

(b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, 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, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company shall 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 BRLM, 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 the Equity Shares are proposed to be listed. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a fresh issue Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Notwithstanding the foregoing, the 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.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]**

** Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*
***Our Company may, in consultation with the BRLM, decide to close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Opening Date, in accordance with the SEBI ICDR Regulations.*

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

Event	Indicative Date
Bid/ Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]

Event	Indicative Date
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or the BRLM.

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 Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”)
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

ii. Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid cum Application Form, for a particular Bidder the details of the Bid file received from Stock Exchanges may be taken as final data for purposes of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. IST (Indian Standard Time) on the Bid/Issue Closing Date.

Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, 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 this Issue.

Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations.

In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received, in the manner set out in the Issue Agreement. If there is a delay beyond the prescribed time, our Company shall pay the interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted, shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only, the market lot of our Equity Shares will be one and therefore there are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Share capital of our Company and Promoter’s minimum contribution as detailed in “*Capital Structure*” beginning on page 74 and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 403.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

ISSUE STRUCTURE

Public Issue of up to 5,900,000 Equity Shares for cash at price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million by our Company. The Issue will constitute [●] % of the post – Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	**QIBs[1]**	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares available for allocation[2]	Not less than [●] Equity Shares	Not more than [●] Equity Shares or Issue less allocation to QIBs and Retail Individual Investors	Not more than [●] Equity Shares or Issue less allocation to QIBs and Non-Institutional Investors
Percentage of Issue size available for allocation/ Allotment	At least 75% of the Issue shall be Allotted to QIB Bidders. However, 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	Not more than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not more than 10% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares will be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares will be available for allocation on a proportionate basis to all other QIBs including Mutual Funds receiving allocation as per (a) above. Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only.	Proportionate	Allotment shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For more information, please see "*Issue Procedure*" on page 355.

Particulars	QIBs[1]	Non-Institutional Investors	Retail Individual Investors
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	Minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter		
Trading Lot	One Equity Share		
Who can Apply[3]	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than Category III FPIs), scheduled commercial banks, mutual funds registered with SEBI, VCFs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by the GoI, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and NBFC-SIs	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts and any Category III FPIs registered with SEBI.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares.
Terms of Payment[4]	***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. ***In case of all other Investors:*** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders (other than Anchor Investors) that is specified in the ASBA Form at the time of the submission of the Bid cum Application Form.		

* Assuming full subscription in the Issue

[1]*Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor*

Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.

In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs.

[2]Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations and Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Issue shall be Allotted on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will 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 or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. The number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. If at least 75% of the Issue cannot be Allotted to QIBs, all the application monies will be refunded/unblocked forthwith. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

[3]Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the 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, on a proportionate basis. 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]If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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.

[4]Any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

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 and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI ("**General Information Document**") included below under " – **Part B - General Information Document for Investing in Public Issues**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making the ASBA process mandatory for all Bidders, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the 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 Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process in accordance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Issue shall be Allotted on a proportionate basis to QIBs. The number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. If at least 75% of the Issue cannot be Allotted to QIBs, all the application monies will be refunded/unblocked forthwith. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office. The Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/ Issue Opening Date.

Bidders must compulsorily use the ASBA process to participate in the Issue.

Bidders must provide bank account details and authorisation by the ASBA bank holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

Further, such Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp maybe liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	**Color of Bid cum Application Form***
Resident Indians and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including Eligible NRIs, FVCIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs, and multilateral and bilateral development financial institutions applying on a repatriation basis^	Blue
Anchor Investors	White

** Excluding electronic Bid cum Application Forms*

^ Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, 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 the section *"General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue" on page 369*, any other persons eligible to Bid in the Issue under the applicable laws, rules, regulations, guidelines, and policies are also eligible to invest in the Equity Shares.

Participation by associates and affiliates of the BRLM and the Syndicate Members, Promoter, Promoter Group and persons related to Promoter/Promoter Group

The BRLM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may purchase Equity Shares in the Issue, either in the QIB Portion 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. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason therefore. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRIs applying on a repatriation basis should authorise their SCSBs to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary ("NRO") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for Residents (white in colour).

Bids by FPIs

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% of our post-Issue Equity Share capital. Further, in terms of FEMA, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and the investee company and the investor complying with the applicable reporting requirements. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI. In terms of FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing aggregate investment limits for an FPI in our Company is 24% of the total paid-up equity share capital of our Company.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments ("ODIs"). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. Further, an FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations.

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 FPI and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in ODIs (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure, *inter alia*, 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.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The 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.

Accordingly, the holding by any individual VCF or FVCI registered with SEBI in any company should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

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 Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

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 Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, 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 aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves. 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 circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

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 Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), and are broadly set forth below:

1. equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a 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 a 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 operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) above, as the case may be.

Insurance companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Bids by NBFC-SI

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI 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, eligible FPIs (including FIIs), AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application 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 reason thereof.

Our Company, in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLM, may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefore.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.

In accordance with RBI regulations, OCBs cannot participate in the Issue.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), each with wide circulation. Our Company shall, in the pre- Issue advertisement state the Bid/Issue Opening Date, the Bid/Issue Closing Date and the QIB Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company intends on entering into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date.

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 Bid cum Application 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 Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;

11. Ensure that you submit the 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 case, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, ii) submitted by investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market, and (iii) 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 for investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market 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. All Bidders should submit their Bids through the ASBA process only;

15. 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;

16. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

17. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
18. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

19. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

21. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;

22. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;

23. Ensure while bidding through a Designated Intermediary that the Bid cum Application Form is submitted to a Designated Intermediary only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

24. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;

25. Ensure that you have correctly signed the authorization/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; and

26. Bids by Eligible NRIs and HUFs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

The Bid cum Application 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 Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

7. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

9. Do not fill up the Bid cum Application 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.

10. Do not submit your Bid after 3.00 pm on the Issue Closing Date;

11. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Issue Closing Date

12. Instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

13. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Investors);

14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

16. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

17. Do not submit more than five Bid cum Application Forms per ASBA Account;

18. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

19. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

20. 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; and

21. 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).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable or any other condition mentioned in this Draft Red Herring Prospectus, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company, in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favor of:

i. In case of resident Anchor Investors: "[●]"

ii. In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated July 14, 2018 amongst NSDL, the Company and the Registrar to the Issue.

- Agreement dated July 06, 2018 amongst CDSL, the Company and Registrar to the Issue.

Undertakings by our Company

Our Company undertakes the following:

i. That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

ii. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;

iii. That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Issue Closing Date;

iv. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;

v. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Issue Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

vi. That no further issue of Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

vii. That if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice 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;

viii. That if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;

ix. That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;

x. That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;

xi. That adequate arrangements shall be made to collect all Bid cum Application Forms and they shall be considered similar while finalising the basis of allotment;

xii. That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;

xiii. That adequate arrangements shall be made to collect all Bid cum Application Forms;

xiv. That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received; and

xv. That the Promoter's Contribution in full, wherever required, shall be brought in advance before the Issue Opening Date and the balance, if any, shall be brought in pro rata basis before the calls are made on public.

Utilization of Net Proceeds

Our Board certifies that:

i. details of all monies utilised out of the Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Net Proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and

ii. details of all unutilised monies out of the Fresh Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Our Company specifically confirms and declares that all monies received from the Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act 2013.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled "*Part B – General Information Document for Investing in Public Issues*" on page 367, Bidders are requested to note the following additional information in relation to the Issue.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he / she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM is cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

3. In the event of an upward revision in the Price Band, Retail Individual Investors who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ` 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e., the original Bid Amount plus additional payment) exceeds ` 200,000, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual 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 shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

4. In the event of a downward revision in the Price Band, Retail Individual Investors who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, as amended or replaced by 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/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of our Company and this Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issue is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may refer to the section "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. 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, the Companies Act, 1956 (the **"Companies Act"**) as amended or replaced by the Companies Act, 2013, 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.

2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process **("Book Built Issue")** or undertake a Fixed Price Issue **("Fixed Price Issue")**. An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the Pre-Issue Advertisement was given at least five Working Days before the 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/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three additional 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/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

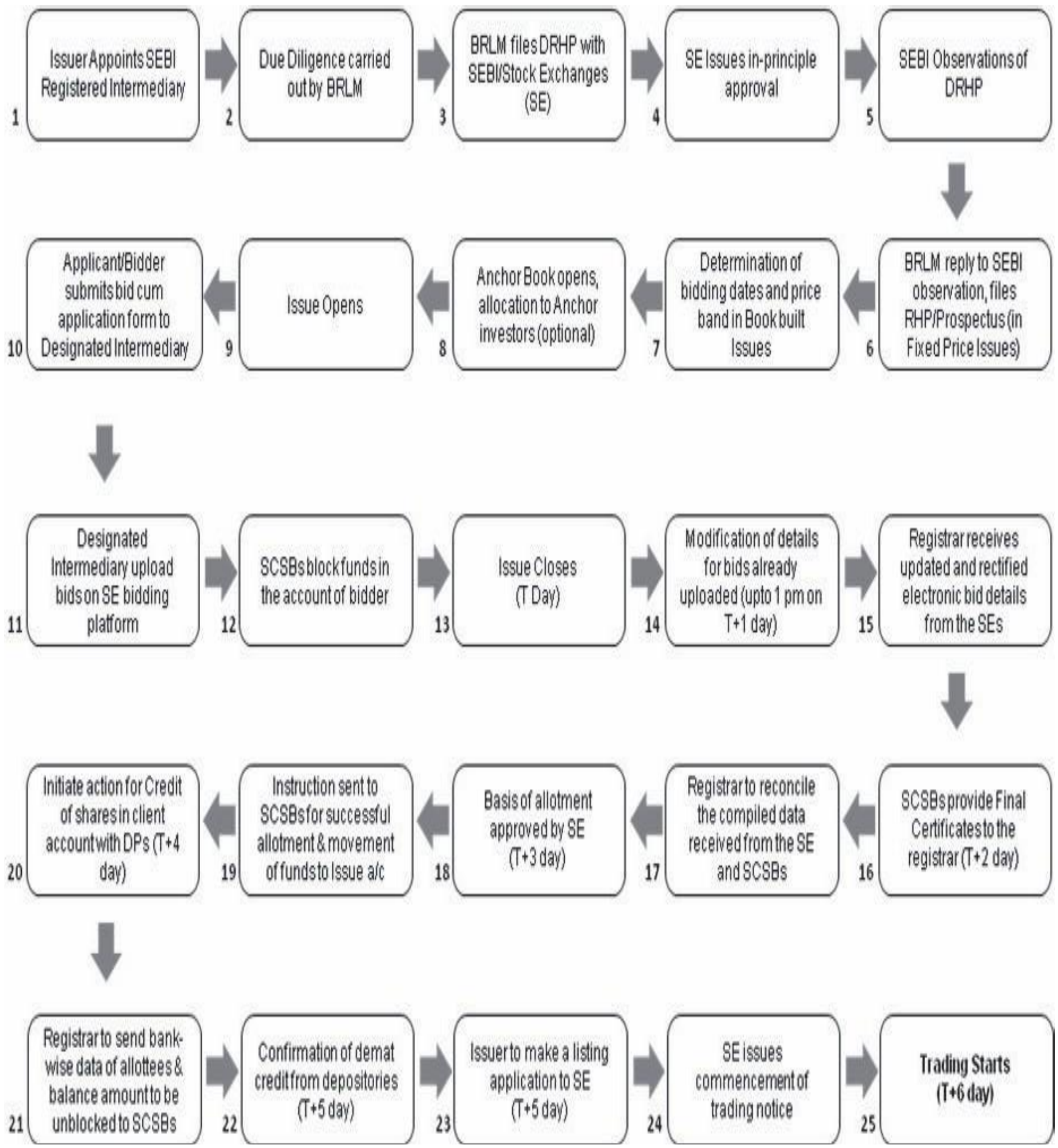
In case of a Book Built Issue, the Issuer may close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three additional Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as below. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

(i) Step 7: Determination of Issue Date and Price
(ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian Nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of First or Sole Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs registered with SEBI, provided that any FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non-Institutional Investors (NIIs) category;
- FPIs (other than Category III FPIs) bidding in the QIBs category;
- Category III FPIs bidding in the Non-Institutional Bidders category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations in India, which are authorised to invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws. As per the existing regulations, OCBs are not allowed to participate in the Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a Designated Intermediary or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Bid cum Application Form, bearing the stamp of the Designated Intermediary or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRI Bidders applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) and FPIs on a repartition basis	Blue
Anchor Investors (where applicable) & Bidders Bidding / applying in the reserved	As specified by the Issuer

Category	Colour of the Bid cum Application Form
category	

Securities issued in an IPO can only be in dematerialised form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1. INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form for Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through *Karta (Application by HUF would be treated on par with individual)*

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
Date :	1) 2) 3)	

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

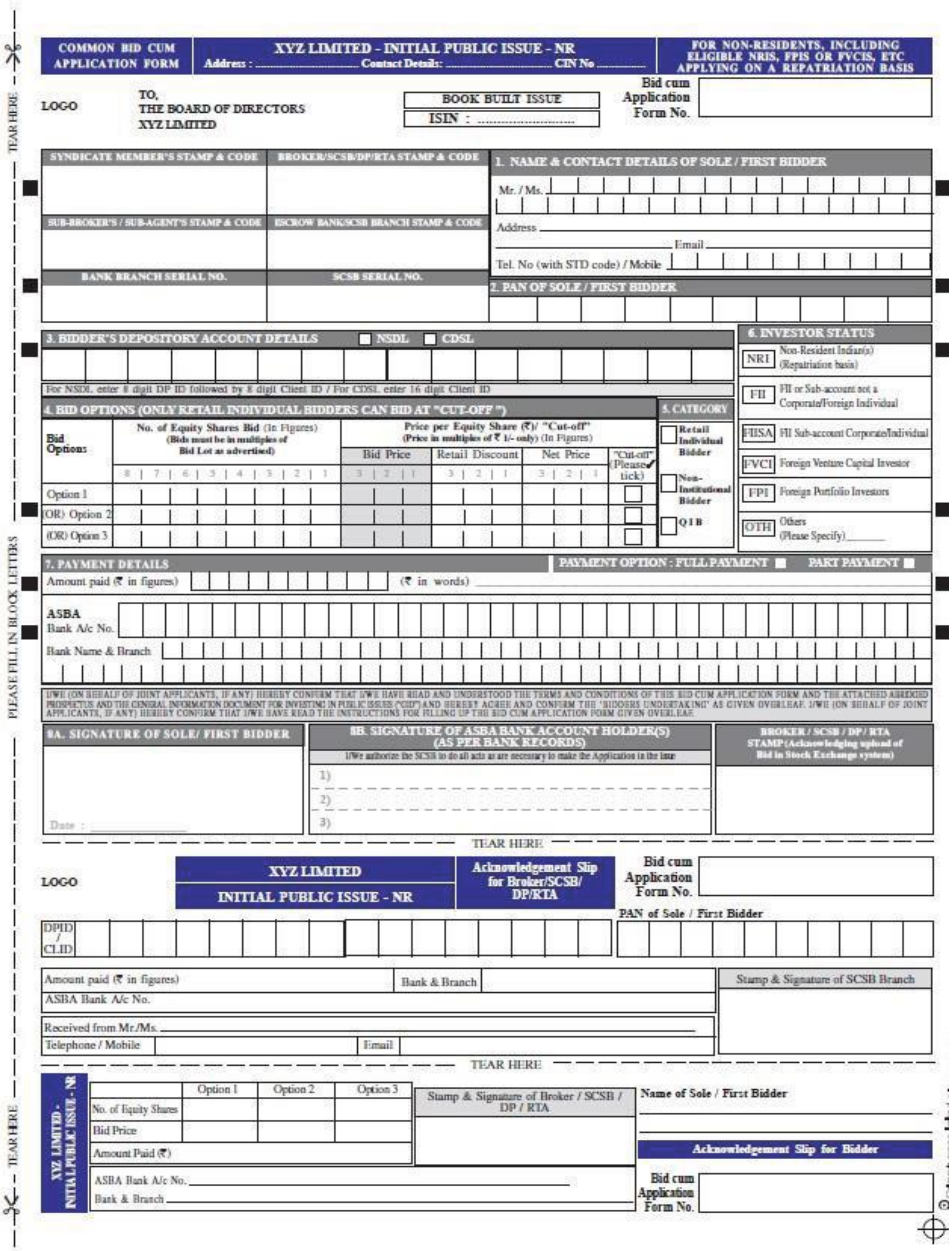
Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

Application Form for Non- Residents



COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

Retail Individual Bidder

Non-Institutional Bidder

QIB

6. INVESTOR STATUS

NRI Non-Resident Indian(s) (Repatriation basis)

FII FII or Sub-account not a Corporate/Foreign Individual

FIISA FII Sub-account Corporate/Individual

FVCI Foreign Venture Capital Investor

FPI Foreign Portfolio Investors

OTH Others (Please Specify) ....

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants 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 Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to the Issue and for no other purposes.

(c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders.

(d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

(a) PAN (of the sole/ First Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose first or sole name the relevant beneficiary account is held as per the Depositories" records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications 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.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected**.

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Issue.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants" sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP 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 which will be advertised in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), each with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders 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 ₹ 200,000. Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Employee Discount (as applicable), payable by the Bidder does not exceed ₹ 500,000. Retail Individual Bidders 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.

In case the Bid Amount for any Bid under the Retail Portion or Employee Reservation Portion exceeds ₹ 200,000 and ₹ 500,000, respectively, 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.

(b) For Eligible NRI Bidders, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 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 Bidders and QIBs are not allowed to Bid at "Cut-off Price".

(d) RII may revise or withdraw their bids till closure of the bidding period. QIBs and NIIs 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.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 100 million. 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 Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) 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 highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

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 Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. 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.

ii. 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.

iii. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

iv. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Portion can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI

ICDR Regulations. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, specify the allocation or allotment that may be made to various categories of Bidders in the 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/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in a Bidder's ASBA Account based on the authorisation provided by the Bidder in the ASBA Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked in respect of the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) are required to Bid through the ASBA process.

(d) Bid Amount cannot be paid in cash, through money order or through postal order.

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 offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to a Designated Intermediary at a Bidding Centre.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, 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 Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that 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 Bid cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at a 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 an SCSB should note that the ASBA Forms submitted to the Designated Intermediary may not be accepted by the Designated Intermediary, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit Bid cum Application 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 Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the 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 on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Escrow Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Escrow 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 Escrow Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Escrow Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Escrow Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

4.1.7.2 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by Eligible NRI Bidders applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and Employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the 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 amount blocked (post Discount) is more than two lac rupees (under the RII category) or more than five lac rupees (under the Employee Reservation Portion), the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category nor the Employee Reservation Portion.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the relevant Designated Intermediary for submission of the ASBA Form.

(b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.

ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Bids by a Designated Intermediary other than an SCSB, the Bidders/Applicants should contact the relevant Designated Intermediary.

iv. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Issue.

(c) The following details (as applicable) should be quoted while making any queries –

i. full name of the First or Sole Bidder/Applicant, Bid cum Application Form number, Applicants/Bidders, DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application.

ii. name and address of the Designated Intermediary where the Bid was submitted; and

iii. The ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

4.2. INSTRUCTIONS FOR FILING THE REVISION FORM

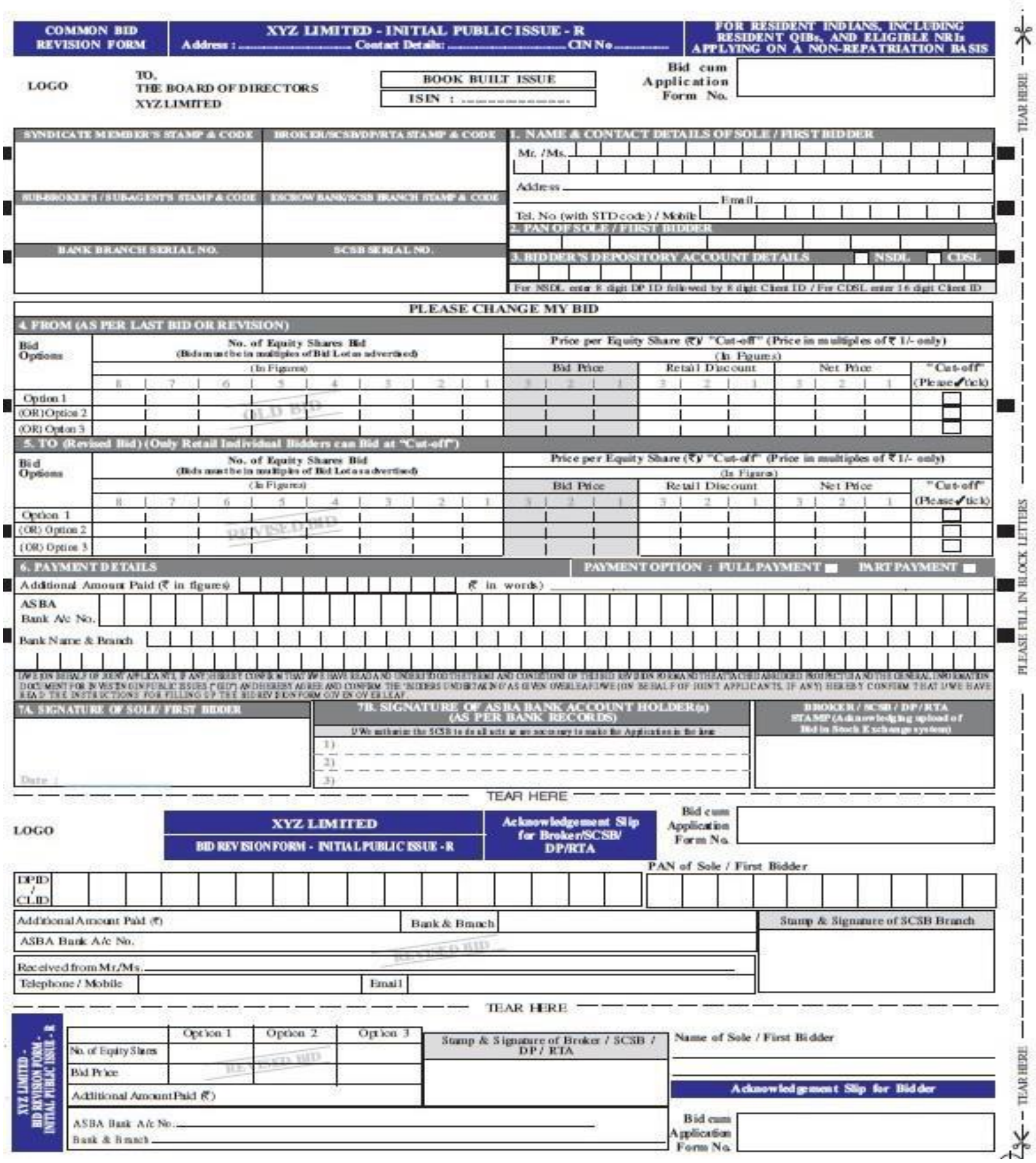
(a) During the Bid/ Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise or withdraw their bids till closure of the bidding period.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No. ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (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					
(OR) Option 2					
(OR) Option 3					

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (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					
(OR) Option 2					
(OR) Option 3					

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

7A. SIGNATURE OF SOLE/ FIRST BIDDER

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

Date :

TEAR HERE

LOGO

XYZ LIMITED

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 | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

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/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 (₹ 500,000 in case of Employees). In case the Bid Amount for any Bid by the RIIs exceeds ₹ 200,000 (₹ 500,000 in case of Employees) due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, (excluding the Bids by Employees under the Employee Reservation Portion) the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees 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 after finalisation of the basis of allotment.

4.2.3 FIELD 6: PAYMENT DETAILS

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked in the ASBA Accounts. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant 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/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000 (excluding the Bids by Employees under the Employee Reservation Portion), the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have Bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after finalisation of the basis of allotment.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3. INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT

(a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs, Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000 and applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

ii. Applications 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.

iii. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

iv. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.

4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) Up to 60% of the QIB Portion can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(d) The SEBI ICDR Regulations specify the allocation or allotment that may be made to various categories of applicants in the Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.3.5 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 RIIs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid 548 Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue.

(c) RIIs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price

(d) Application Amount cannot be paid through cheques or demand drafts or in cash, through money order or through postal order or through stock invest.

4.3.5.1 Payment instructions for ASBA Applicants

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.1.1 Unblocking of ASBA Account

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.2 Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the RHP/ Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may authorise blocking of an amount i.e. the Application Amount less Discount (if applicable). Bidder may note that in case the net amount blocked (post Discount) is more than 0.2 million Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

4.4. SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1. Bidders/Applicants may submit completed ASBA Form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Application by Anchor Investors	To the BRLM at the locations specified in the Anchor Investor Application Form
Applications by other Bidders	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres, or the RTA at the Designated RTA Location or the DP at the Designated CDP Locations. (b) To the Designated branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the ASBA Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Issue Price and registration of the Prospectus with the RoC, the ASBA Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR

Regulations. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/ Issue Period, Bidders/Applicants may approach the Designated Intermediaries to submit and register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the BRLM to register their Bids.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediaries 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 online 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 and as disclosed in the Draft Red Herring Prospectus and the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given up to one day after 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 for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges" on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/ Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until the Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of the basis of allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the Designated Intermediaries,

ii. the Bids uploaded by the Designated Intermediaries, or

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLM 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 and RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the Designated Intermediaries or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Applications accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB;

(b) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(l) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

(m) Bids/Applications at Cut-off Price by NIIs and QIBs;

(n) The amounts mentioned in the Bid cum Application Form/Application Form do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(p) Submission of more than five Bid cum Application Forms/Application Form through a single ASBA Account;

(q) Bids not uploaded in the Stock Exchanges bidding system

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(u) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form at the time of blocking such Bid/Application Amount in the bank account;

(v) Where no confirmation is received from SCSB for blocking of funds;

(w) Bids/Applications by Bidders (other than Anchor Investors) that are not submitted through ASBA process;

(x) ASBA Bids/Applications submitted to a Designated Intermediary at locations other than the Bidding Centres, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in the Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except for the QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Portion is not available for subscription to other categories.

(c) A Bid by an Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion (post the initial allocation of up to ₹ 200,000 per Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Employee not exceeding ₹ 500,000 (which shall be less the Employee Discount, if applicable).For further details on allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP. 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/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3000 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 (*in ₹*)**	**Cumulative Quantity**	**Subscription (*in %*)**
500	24	500	16.67 %
1000	23	1500	50.00 %
1500	22	3000	100.00 %
2000	21	5000	166.67 %
2500	20	7500	250.00 %

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The Issuer, in consultation with the BRLM may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through a Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date.

In a fixed price Issue, allocation in the Issue to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidders Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs bidding in the QIB Portion (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

  i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;

  ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

  iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

    - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum allotment of ₹ 50 million per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 2,500 million subject to minimum allotment of ₹ 50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.

A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor

Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorised according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Escrow Account with the Bankers to the Issue. The balance amount after transfer to the Escrow Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Escrow Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of

Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with the Depositories, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law.

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 RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than 0.5 million rupees but which may extend to 5 million rupees and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to 0.3 million rupees, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all subscription amounts received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.

(b) In the case of Bids from Eligible NRI Bidders, FIIs, FPIs and QFIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Electronic modes of making refunds to Anchor Investors

The payment of refund to Anchor Investors, if any, may be done through various modes as mentioned below:

(a) **NACH -** National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Bidders/Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT -** Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investor's bank is NEFT enabled and has been assigned the Indian Financial System Code **("IFSC"),** which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit -** Anchor Investors having their bank account with the Refund Banks may be eligible to receive refunds, if any, through direct credit to such bank account; and

(d) **RTGS -** Anchor Investors having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc, Anchor Investors may refer to RHP/Prospectus.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted by the Anchor Investor to the Escrow Collection Bank.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date. The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document 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. In case of inconsistency in the description of a term mentioned below and the description ascribed to such term in other section of this Red Herring Prospectus, the description as ascribed to such term in the in the other section of this Red Herring Prospectus shall prevail.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	A Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Allotment in terms of the Red Herring Prospectus and Prospectus.
Escrow Account	An account opened with the Escrow Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Issuer, in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue / Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful

Term	Description
	Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount.
Bid cum Application Form	The ASBA Form.
Bid / Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which will be advertised in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which will be advertised in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean a Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM/ Book Running Lead Manager/ Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager/ Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	Note or intimation of allocation of Equity Shares sent to each Anchor Investor who have been allocated Equity Shares after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Category III FPI	FPIs who are registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.

Term	Description
Collecting Depository Participant(s) or CDP(s)	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.
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as the context requires.
Cut-off Price	Issue Price, finalised by the Issuer, in consultation with the BRLM, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and Employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (other than Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations 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 (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC.
Designated Intermediaries	The Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the Promoter and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager, the Escrow Collection Banks and the Refund Banks for collection of the Bid Amounts from Anchor Investors and remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or

Term	Description
	Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPI	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public issue of Equity Shares of the Issuer.
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
NEFT	National Electronic Fund Transfer
Net Issue	The Issue less reservation portion
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and Category III FPIs that are not QIBs or RIIs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRI Bidders)
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 RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRI

Term	Description
	Bidders, FIIs registered with SEBI, FVCIs registered with SEBI, FPIs and QFIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer, in consultation with the Book Running Lead Manager and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, which will be advertised in all editions of English national newspaper [●] and all editions of Hindi national newspaper [●], (Hindi also being the regional language Of Delhi where our Registered Office is located), each with wide circulation.
Pricing Date	The date on which the Issuer, in consultation with the Book Running Lead Manager, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information
Escrow Account	A bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are issued and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Bidders of the whole or part of the Bid Amount may be made.
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/ RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Retail Individual Bidders/ Retail Individual Investors/ RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹

Term	Description
Shareholders	200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager, and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Working Day" means all days, other than the 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 Day" 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 Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

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 and the circulars and notifications issued thereunder. 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 Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DIPP issues an updated circular. As per the FDI Policy the cap for foreign investment in a financial services company regulated by a sectoral regulator (in our case, being SEBI), is 100% under the automatic route. However, downstream investments by a resident entity which is 'foreign-owned and controlled' within the meaning of the FDI Policy are treated as foreign investment for the purposes of the FDI Policy.

As per current foreign investment policies, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract 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 guidelines prescribed by SEBI / RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act, or the laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States pursuant to Regulation S.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

1. (1) The regulations contained in Table 'F' of Schedule I to the Companies Act, 2013, as are applicable to a public company limited by shares shall apply to the Company so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table 'F', the provisions of these Articles shall prevail.

(2) The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by the Companies Act, 2013 be such as are contained in these Articles.

INTERPRETATION

2. (1) In the interpretation of these Articles, unless repugnant to the subject or context:-

(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article and any previous company law, so far as may be applicable.

(b) "Applicable Laws" means all applicable statutes, laws, ordinances, rules and regulations, judgments, notifications circulars, orders, decrees, bye-laws, guidelines, or any decision, or determination, or any interpretation, policy or administration, having the force of law, including but not limited to, any authorization by any authority like Ministry of Corporate Affairs, Securities Exchange Board of India or any other regulatory body, in each case, as may be applicable to the Company and being in effect from time to time.

(c) "Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.

(d) Auditors" means and includes those persons appointed as such for the time being of the Company.

(e) "Business Day" shall mean any day of the year, other than Saturdays and Sundays and any other days on which banks are closed for business in the city where the registered office of the Company is situated.

(f) "Board of Directors" or "Board" means the collective body of the Directors of the Company or a committee thereof duly constituted.

(g) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.

(h) "The Company" shall mean **Zircon Technologies (India) Limited**.

(i) "Legal Representative" means a person who in law represents the estate of a deceased Member.

(j) Words importing the masculine gender also include the feminine gender

(k) "Meeting" or "General Meeting" means a meeting of members.

(l) "Month" means a calendar month.

(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.

(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.

(o) "Fully Diluted" means with respect to Securities, all outstanding equity shares and all Securities issuable in respect of, Securities convertible into or exchangeable for equity shares, stock appreciation rights or options, warrants and other irrevocable rights to purchase or subscribe for equity shares or securities convertible into or exchangeable into equity shares.

(p) "National Holiday" means and includes a day declared as National Holiday by the Central Government.

(q) "Non-retiring Directors" means a director not subject to retirement by rotation.

(r) "Office" means the registered Office for the time being of the Company.

(s) "Ordinary Resolution" shall have the meanings assigned thereto by Section 114 of the Act.

(t) "Person" shall be deemed to include corporations and firms as well as individuals.

(u) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.

(v) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a)of the Act.

(w) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(x) "Securities" shall have the meaning ascribed to the term under Section 2(h) of the Securities Contract (Regulation) Act, 1956.

(y) "Seal" means the common seal for the time being of the Company.

(z) "Share" means a share in the share capital of the Company and includes stock.

(aa) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.

(bb) Words importing the singular number include where the context admits or requires the plural number and vice versa.

(cc) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.

(dd) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.

(ee) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. (a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in

	Clause V of Memorandum of Association of the Company from time to time. (b) 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 board 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 and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part for any property or assets of any kind whatsoever purchased by the Company, goods or machinery supplied or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up or partly paid up otherwise than for cash, and if so issued, shall be deemed to be fully paid or partly paid up shares, as the case may be.
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified or may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6.	The Company may issue the following kinds of shares in accordance with these Articles. The Act, the Rules and other applicable laws: (a) Equity Share Capital (i) With voting rights; and / or (ii) With differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference Share Capital
7.	Subject to the applicable provisions of the Act and other applicable laws, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
8.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.
9.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.
10.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

11.		Subject to compliance with applicable provision of the Act and rules framed there under the Company shall have power to issue depository receipts in any foreign country.
12.	(1)	Subject to compliance with applicable provision of the Act and rules framed there under the Company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there under.
	(2)	Subject to the provision of the Act and rules made there under the Company shall have power to issue any kind of securities duly subdivided/consolidated as permitted to be issued under the Act and rules made there under.
13.	(1)	Every person whose name is entered as a member in the registrar of members, shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for registration of transfer or transmission or within such other periods as the conditions of issue shall provide- (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 such charges as may be fixed by the Board for each certificate after the first.
	(2)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
	(3)	In respect of any shares 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 shareholders.
14.		(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as prescribed under the Act or as near thereto as possible, provided that in respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. (b) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
15.		A person subscribing to shares issued by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
16.		If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a

		new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.
17.		The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
18.	(1)	The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.
	(2)	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
	(3)	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.
	(4)	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.
19.	(1)	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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
	(2)	To every such separate meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.
20.		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.
21.		Subject to the provisions of the Act, the Company shall have the power to issue or reissue cumulative or non-cumulative basis preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Company in accordance with the Act.
22.		Where at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered: (a) to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions: - (i) the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, will be deemed to have been declined (ii) the aforementioned offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice mentioned in sub-Article (i), above shall contain a statement of this right; and (iii) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or (b) to employees under any scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or (c) to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for consideration other than cash, subject to applicable provisions of

		the Act and Rules thereunder. A further issue of shares may be made in any manner whatsoever as the Board may determine, among others, by way of initial public offer, further public offer, rights issue, preferential offer or private placement, qualified institutions placement and such other issuance as may be allowed in accordance with the prevailing laws and regulations in force, subject to and in accordance of the Act and other regulations governing such issues.
		LIEN
23.	(1)	The Company shall have a first and paramount lien— (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company: Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
	(2)	The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
	(3)	Unless otherwise agreed by the board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
	(4)	That fully paid shares shall be free from all lien and that in the case of partly paid shares the company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;
24.		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 or otherwise.
25.	(1)	To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
	(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.
	(3)	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
	(4)	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 with reference to the sale.
26.	(1)	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
	(2)	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.
27.		In exercising its lien, the Company shall be entitled to tear the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

28.		The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.
		CALLS ON SHARES
29.	(1)	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.
	(2)	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
	(3)	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. Provided that before the time for payment of such call and/or before receving any amount towards such call, the Board may by notice revoke or postpone the call so made.
	(4)	The Board may, from time to time, at its discretion, extend the time fixed for payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
30.		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
31.	(1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof ("due date"), the person from whom the sum is due shall pay interest thereon and such other expenses which have been incurred by the Company due to non-payment of such call as the Board may think fit, from the due date to the time of actual payment at such rate as may be fixed by the Board.
	(2)	The Board shall be at liberty to waive payment of any such interest and other expenses wholly or in part.
32.	(1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
33.		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 as may be fixed by the Board. Nothing contained in this clause shall confer on the members (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
34.		If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
35.		All calls shall be made on a uniform basis on all shares falling under the same class. *Explanation:* Shares of all the same nominal value on which different amounts have been paid – up shall not be deemed to fall under the same class.
36.		Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
37.		The provision of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.
		TRANSFER OF SHARES
38.		(i) The instrument of transfer of any share in the Company shall be executed by or on behalf of

	both the transferor and transferee. (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
39.	The instrument of transfer of any share shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares and registration thereof.
40.	The Board may, subject to the right of appeal conferred by section 58 of the Act 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. That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;
41.	The Board may decline to recognize any instrument of transfer unless – (a) the instrument of transfer is duly stamped, dated and executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act; (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.
42.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.
43.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 of the Act and rules made there under to close the Register of Members and/or the Register of debentures holders and/or other security holders and registration of transfer may be suspended at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
44.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.
45.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
46.	The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.
	NOMINATION AND TRANSMISSION OF SHARES
47.	(i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. (ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. (iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.

		(iv) If the holder(s) of the securities survive(s) the nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.
48.	(1)	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 recognized by the Company as having any title to his interest in the shares.
	(2)	Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
49.	(1)	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.
	(2)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
	(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
50.	(1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
	(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
	(3)	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.
51.		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.
52.		Notwithstanding anything contained in Article 41, in the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed under sub-section 1 of section 56 of the Act or any modification thereof as circumstances permit.
53.		The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.
		FORFEITURE OF SHARES
54.		If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
55.		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.
56.		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.
57.		Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
58.		When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
59.		The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
60.	(1)	A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
	(2)	At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
61.	(1)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
	(2)	All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
	(3)	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.
62.	(1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
	(3)	The transferee shall thereupon be registered as the holder of the share; and
	(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
63.		Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser’s name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
64.		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
65.		The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

66.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
67.	The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.
	ALTERATION OF CAPITAL
68.	Subject to the provisions of the Act, the Company may, by ordinary resolution – (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
69.	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 Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose; (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/ “member” shall include “stock” and “stock-holder” respectively.
70.	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules: (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.

JOINT-HOLDERS

71. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in these Articles:

(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

(e) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

(f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

CAPITALISATION OF PROFITS

72. (1) The Company, in general meeting may, upon the recommendation of the Board, resolve —

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, securities premium account or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2)

(2) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportion as may be determined by the law in accordance with the law;

(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 or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

73. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –

(a) make all appropriations and applications of the amounts resolved to be authorized thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(b) generally, do all acts and things required to give effect thereto.

(2) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such authorized on, 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 authorized, of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on such members.

BORROWING POWERS

74. Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Shareholders;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures;

(iv) generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

Provided further that the Board may delegate the power specified in sub clause (iii) herein above (i.e. to borrow money otherwise than on debentures) to a committee constituted for the purpose.

75. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Members by Special Resolution in General Meeting.

76. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or Company of any obligation undertaken by the Company or any person or Company as the case may be.

77. Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

78. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

79.		Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
		BUY – BACK OF SHARES
80.		Notwithstanding anything contained in these Articles but subject to all applicable provisions 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
81.		All general meetings other than annual general meeting shall be called extraordinary general meeting.
82.		(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
83.	(1)	No business shall be transacted at any general meeting unless a quorum of members is present while transacting business.
	(2)	No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
	(3)	The quorum for a general meeting shall be as provided in section 103 of the Act.
84.		The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
85.		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 among themselves to be Chairperson of the meeting.
86.		If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by show of hands, by poll or electronically, choose one of their members to be Chairperson of the meeting.
87.		On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
88.	(1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors to be prepared and signed in such manner as prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned thereof in books kept for that purpose with their pages consecutively numbered.
	(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting – (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.
	(3)	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
	(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
89.	(1)	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and

		(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all business days. Provided such member gives at least 7 days' notice in writing of his intention to do so.
	(2)	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of a maximum fee as prescribed in the Act for each page or part thereof, with a copy of any minutes referred to in clause (1) above: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
90.		The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
	(1)	Notwithstanding anything contained in these Articles, the Company may, and in case of resolutions relating to such business as notified under Rule (22)(16) of the Companies (Management and Administration) Rules, 2014 or other applicable laws to be passed by postal ballot, shall get the resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.
	(2)	Where the Company decides to pass the resolution by postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act read with Companies (Management and Administration) Rules, 2014, as amended from time to time.
		ADJOURNMENT OF MEETING
91.	(1)	The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
	(2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
	(3)	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
	(4)	Save as aforesaid, and save as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
		VOTING RIGHTS
92.		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.
93.		A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.
94.	(1)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
95.		A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or senior most guardian as determined in the order in which name stands in the document(s) received by the Company advising of the guardianship.
96.		Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as

		if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
97.		Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
98.		No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien. The Register of Members shall be conclusive evidence of the payment of calls, liens or other sums and in case of any error in the Register of Members, it shall not invalidate the proceedings of the Meeting.
99.		A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken.
100.		Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.
		PROXY
101.	(1)	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
	(2)	The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a authorize 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.
102.		An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105 of the Act.
103.		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
104.	(1)	The number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company by a special resolution may increase the number of directors more than fifteen in compliance with the Act.
	(2)	The following shall be the first directors of the Company: (i). Tilak Raj Sondhi (ii). Anjana Sondhi
	(3)	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
105.		Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.
106.	(1)	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
	(2)	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.

107.		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.
108.	(1)	Subject to the provisions of Sections 149 & 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
	(2)	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.
109.	(1)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
	(2)	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
	(3)	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
110.	(1)	If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles of the Company, be filled by the Board of Directors at a meeting of the Board.
	(2)	Provided, that the director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.
		POWERS OF BOARD
111.		The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
		PROCEEDINGS OF THE BOARD
112.	(1)	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
	(2)	The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
	(3)	The quorum for a Board meeting shall be as provided in the Act.
	(4)	The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means as may be prescribed by the Rules or permitted under law.
113.	(1)	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
	(2)	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
114.		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.

115.	(1)	The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
116.	(1)	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
	(2)	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
	(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or other audio-visual means, as may be prescribed by the Rules or permitted under law.
117.	(1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
118.	(1)	A Committee may meet and adjourn as it thinks fit.
	(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
	(3)	In case of an equality of votes, the Chairperson of the Committee or Meeting shall have a second or casting vote.
119.		All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
120.		Subject to the provisions of the Act, a resolution of the Board may be passed by circulation, if the resolution has been circulated in draft, along with necessary documents, if any, to all Directors or members of the Committee, as the case may be, at their address registered with the Company in India by hand delivery or by post or by courier or through electronics means and has been approved by majority of Directors or Members, who are entitled to vote on the resolution
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER		
121.		(a) Subject to the provisions of the Act: Every whole-time key managerial personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Whole-time key managerial personnel of the Company so appointed may be removed in pursuance to the applicable provisions of the Act. (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

REGISTERS AND INSPECTION THEREOF AND OTHER DOCUMENTS		
122.		The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on each business day at the registered office of the Company by the persons entitled thereto provided such person gives at least 7 days' notice of his intention to do so, on payment of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Such person if authorized by the Act and the Rules, can also take copies of such registers by paying a maximum fee as prescribed in the Act per page or part thereof to the Company. The Company shall take steps to provide the copies of the registers to such person within 7 days of receipt of the fees. The Board, if deem fit, may waive off this fee. The Company shall, on being so required by a Member, send to him within seven days of the request and subject to payment of a maximum fee as prescribed in the Act for each copy of the documents specified in Section 17 of the Act. The Board, if deem fit, may waive off this fee.
123.		(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.
THE SEAL		
124.	(1)	The Board shall provide for the safe custody of the seal.
	(2)	The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of one director and such director shall sign every instrument to which the seal of the Company is so affixed.
DIVIDENDS AND RESERVE		
125.		The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
126.		Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
127.	(1)	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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for authorized dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
	(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
128.	(1)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
	(3)	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.
129.	(1)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
	(3)	Any money transferred to the Unpaid Dividend Account of the Company which remains unclaimed for a period of 7 (seven) years from the date of such transfer shall be transferred to the Fund established under Section 125 of the Act.
130.	(1)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
	(2)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
	(3)	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
131.		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.
132.		No dividend shall bear interest against the Company.
133.		The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.
		ACCOUNTS
134.	(1)	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
	(2)	No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board or by the Company in a general meeting.
		WINDING UP
135.		Subject to the applicable provisions of Chapter XX of the Act and the Rules made there under – a. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
		INDEMNITY AND INSURANCE
136.		a. Subject to the provisions of the Act, every officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such officer or in any way in the discharge of his duties in such capacity including expenses. b. Subject as aforesaid, every officer of the Company shall be indemnified against any liability

	incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. c. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.
137.	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
	GENERAL POWER
138.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company between 10.00 a.m. to 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts to the Issue

1. Issue Agreement dated September 19, 2018, entered into between our Company and the BRLM.

2. Registrar Agreement dated September 17, 2018, entered into between our Company and the Registrar to the Issue.

3. Escrow Agreement dated [●] entered into amongst our Company, the Registrar to the Issue, the BRLM and the Escrow Collection Bank(s), Refund Banker and Public Issue Bank(s).

4. Underwriting Agreement dated [●] entered into amongst our Company, the Registrar to the Issue and the Underwriters.

5. Syndicate Agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members.

6. Tripartite Agreement dated July 14, 2018 entered into amongst our Company, NSDL and the Registrar to the Issue.

7. Tripartite Agreement dated July 06, 2018 entered into amongst our Company, CDSL and the Registrar to the Issue.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of Incorporation dated February 16, 1999, issued by the Registrar of Companies, NCT of Delhi and Haryana.

3. Fresh certificate of incorporation dated January 23, 2003 pursuant to change of name issued by the Registrar of Companies, NCT of Delhi and Haryana.

4. Fresh certificate of incorporation consequent upon conversion to public limited company dated May 27, 2008 issued by the Registrar of Companies, NCT of Delhi and Haryana.

5. Fresh certificate of incorporation dated July 15, 2008 pursuant to change of name issued by the Registrar of Companies, NCT of Delhi and Haryana.

6. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated August 30, 2018 and September 10, 2018, respectively, authorizing the Issue.

7. Resolution of our Board dated September 19, 2018, approving the Draft Red Herring Prospectus.

8. Resolution of our IPO Committee dated September 21, 2018, approving the Draft Red Herring Prospectus.

9. Copies of annual reports of our Company for Fiscal Years 2014, 2015, 2016, 2017 and 2018.

10. Agreement for Takeover of Business dated January 14, 2006 entered into between our Company and M/s. Zircon Tech and Services.

11. The reports of the Statutory Auditor, Singhi & Co., dated September 12, 2018 on our Company's restated financial information.

12. Statement of tax benefits dated September 15, 2018 issued by Statutory Auditor, Singhi & Co., included in this Draft Red Herring Prospectus.

13. Consent of the Auditors, Singhi & Co., Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an expert, as defined under Section 2(38) of the Companies Act 2013, in relation to their examination report dated September 12, 2018 on our restated financial information and the statement of tax benefits dated September 15, 2018 respectively in the form and context in which it appears in this Draft Red Herring Prospectus.

14. Consent of the Directors, the BRLM, the Syndicate Members, Legal Counsels, Registrar to the Issue, Escrow Collection Bank(s), Refund Banker, Underwriter, Bankers to the Issue, Lender to our Company, Bankers to our Company, Bank of India, our Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.

15. Consent from CRISIL dated September 11, 2018, to include contents or any part thereof from their report titled, "Assessment of the label printing industry in India" dated June, 2018, in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

16. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

17. Due Diligence Certificate dated September 21, 2018 issued by the BRLM to be submitted to SEBI.

18. SEBI observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Tilak Raj Sondhi
(Chairman and Non-Executive Director)

Sd/-
Sanjeev Sondhi
(Managing Director)

Sd/-
Poonam Sondhi
(Executive Director)

Sd/-
Shailendra Sharma
(Independent Director)

Sd/-
Ashwani Kumar Punn
(Independent Director)

Sd/-
Pramod Agarwal
(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Sd/-
Pitamber Mishra

Date: September 21, 2018

Place: Delhi