



SHUBHAM POLYSPIN LIMITED

Our Company was incorporated as “Shubham Polyspin Private Limited” at Ahmedabad on March 12, 2012, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Shubham Polyspin Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated July 24, 2018 was issued by the Registrar of Companies, (RoC) Ahmedabad. For details of change in name and registered office of our Company, please refer to section titled “History and Certain Corporate Matters” beginning on page no. 96 of this Draft Prospectus.

CIN: U17120GJ2012PLC069319

Registered office: Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Jetpura- Basantpura Road, Village Borisana, Taluka Kadi, Mahesana – 382 728, Gujarat, India; **Tel No.:** +91 70431 24999, +91 70431 25999; **Website:** sppl.shubhamgrp.co
E-Mail: compliance@shubhamgrp.co; **Company Secretary and Compliance Officer:** [●]; **Contact Person:** Mr. Ankit Somani

PROMOTERS OF THE COMPANY: MR. ANIL SOMANI, MR. ANKIT SOMANI AND MR. AKSHAY SOMANI

THE ISSUE

PUBLIC ISSUE OF 1500000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF SHUBHAM POLYSPIN LIMITED (“SHUBHAM” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ 40 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 30 PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ 600.00 LAKH (“THE ISSUE”), OF WHICH 78000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 40 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 30 PER EQUITY SHARE AGGREGATING TO ₹ 31.20 LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 1422000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 40 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 30 PER EQUITY SHARE AGGREGATING TO ₹ 568.80 LAKH IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.22% AND 25.81% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For further details see “Terms of the Issue” beginning on page no. 187 of this Draft Prospectus.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled “Issue Procedure” beginning on page no. 194 of this Draft Prospectus. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS ₹ 40. THE ISSUE PRICE IS 4 TIMES OF THE FACE VALUE.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10 per Equity Shares and the Issue price is 4 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on “Basis for Issue Price” beginning on page no. 61 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no. 9 of this Draft Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on SME Platform of BSE Limited. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, our Company has received in principle approval letter dated [●] from BSE Limited (“BSE”) for using its name in this offer document for listing our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited.

LEAD MANAGER

BEELINE BROKING LIMITED
SEBI Registration Number: INM000012546
Address: Office No. 1 To 3, Vishwa Complex, First Floor, Opp. Jain Derasar, Navrangpura, Ahmedabad – 380 009
Telephone Number: +91 79 6666 4007
Email Id: mb@beelinebroking.com
Investors Grievance Id: ig@beelinebroking.com
Website: www.beelinebroking.com
Contact Person: Mr. Vanesh Panchal
CIN: U51900GJ2014PLC080598

REGISTRAR TO THE ISSUE

LINK Intime
LINE INTIME INDIA PRIVATE LIMITED
SEBI Registration Number: INR000004058
Address: C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra
Tel. Number: +91 22 4918 6200; **Fax Number:** +91 22 4918 6195
Email Id: shubham.ipo@linkintime.co.in
Investors Grievance Id: shubham.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Goapalkrishnan
CIN: U67190MH1999PTC118368

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

| Term | Description |
|--|---|
| “Shubham”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer” | Shubham Polyspin Limited, a public limited company, registered under the Companies Act, 1956 and having its registered office at Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Jetpura- Basantpura Road, Village Borisana Taluka Kadi Mahesana – 382 728, Gujarat, India. |
| Our Promoters | Mr. Anil Somani, Mr. Ankit Somani and Mr. Akshay Somani |
| Promoters’ Group | Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(zb) of the SEBI ICDR Regulations which is provided in the chapter titled “Our Promoters and Promoters’ Group”. |

COMPANY RELATED TERMS

| Term | Description |
|---|---|
| Articles / Articles of Association/AOA | Articles of Association of our Company. |
| Board of Directors / Board | The Board of Directors of Shubham Polyspin Limited unless otherwise specified. |
| CMD | Chairman cum Managing Director |
| Companies Act | Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time. |
| Company Secretary and Compliance Officer | [●] |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| ED | Executive Director |
| Equity Shareholders or Members | Persons holding equity shares of our Company, unless otherwise specified. |
| Equity Shares | Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof. |
| Group Companies | Companies which are covered under the applicable accounting standards and other companies as considered material by our Board and disclosed in the chapter titled “Financial Information of Our Group Companies/Entities” beginning on page no. 116 of this Prospectus. |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Key Managerial Personnel / Key Managerial Employees | Key management personnel of our Company in terms of regulation 2(1)(s) of the SEBI Regulations and section 2(51) of the Companies Act, 2013 and as disclosed in the section titled “Our Management” on page no. 100 of this Prospectus. |
| MD | Managing Director |
| MOA/ Memorandum / Memorandum of Association | Memorandum of Association of our Company as amended from time to time |
| Non Residents | A person resident outside India, as defined under FEMA |
| NRIs / Non Resident Indians | A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulation, 2000. |
| Peer Review Auditor | The Peer Review auditors of our Company, being M/s. Jain P. C. & Associates, Chartered Accountants. |
| Registered Office | The Registered office of our Company located at Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Jetpura- Basantpura Road, Village Borisana Taluka Kadi Mahesana – 382 728, Gujarat, India. |
| ROC / Registrar of Companies | Registrar of Companies, Ahmedabad. |
| Statutory Auditors | The Statutory auditors of our Company, being M/s. Jain P. C. & Associates, Chartered Accountants. |
| WTD | Whole-Time Director |

ISSUE RELATED TERMS

| Terms | Description |
|--|--|
| Applicant | Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus |
| Application Form | The Form in terms of which the applicant shall apply for the Equity Shares of our Company |
| Application Supported by Blocked Amount / ASBA | An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB. |
| ASBA Account | An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form. |
| ASBA Investor / ASBA applicant | Any prospective investor(s)/applicant(s) in this Issue who apply (ies) through the ASBA process. |
| Allottee | The successful applicant to whom the Equity Shares are being / have been issued |
| Allotment | Issue of the Equity Shares pursuant to the Issue to the successful applicants |
| Bankers to our Company | Yes Bank Limited |
| Bankers to the Issue and Refund Banker | [•] |
| Basis of Allotment | The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section "Issue Procedure - Basis of allotment" on page no. 210 of this Draft Prospectus. |
| Demographic Details | The demographic details of the Applicants such as their address, PAN, occupation and bank account details. |
| Depository | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996 |
| Designated Stock Exchange | BSE Limited (SME Platform) |
| Draft Prospectus | The Draft Prospectus dated August 27, 2018 issued and filed, in accordance with Sections 26 and 32 of the Companies Act, with the BSE Limited under SEBI (ICDR) Regulations. |
| Eligible NRI | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein |
| Engagement Letter/Mandate Letter | The engagement letter dated August 3, 2018 between our Company and the LM |
| Issue Opening Date | The date on which the Issue opens for subscription. |
| Issue Closing date | The date on which the Issue closes for subscription. |
| Issue Period | The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application |
| IPO | Initial Public Offering |
| Issue / Issue Size / Public Issue | The Public Issue of 15,00,000 Equity Shares of ₹ 10/- each at ₹ 40/- per Equity Share including share premium of ₹ 30/- per Equity Share aggregating to ₹ 600.00 Lakh by Shubham Polyspin Limited. |
| Issue Price | The price at which the Equity Shares are being issued by our Company through this Draft Prospectus, being ₹ 40/-. |
| LM / Lead Manager | Lead Manager to the Issue – Beeline Broking Limited. |
| Listing Agreement | Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our company and the SME Platform of BSE. |
| Market Maker | Beeline Broking Limited. |
| Market Making Agreement | The Agreement entered into between the Market Maker and our Company dated August 9, 2018. |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of 1422000 Equity Shares of ₹ 10/- each at ₹ 40/- per Equity Share including share premium of ₹ 30/- per Equity Share aggregating to ₹ 568.80 Lakh by Shubham Polyspin Limited. |

| Terms | Description |
|---------------------------------------|---|
| 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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue. |
| Prospectus | The Prospectus, to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information |
| Public Issue Account | An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors |
| Qualified Institutional Buyers / QIBs | Mutual Funds, Venture Capital Funds, or Foreign Venture Capital Investors registered with the SEBI; FIIs and their sub-accounts registered with the SEBI, other than a subaccount which is a foreign corporate or foreign individual; Public financial institutions as defined in Section 2(72) of the Companies Act; Scheduled Commercial Banks; Multilateral and Bilateral Development Financial Institutions; State Industrial Development Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of ₹ 2,500 Lakh; Pension Funds with minimum corpus of ₹ 2,500 Lakh; National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Insurance Funds set up and managed by the army, navy, or air force of the Union of India. Insurance Funds set up and managed by the Department of Posts, India |
| Refund Account | Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made |
| Registrar / Registrar to the Issue | Registrar to the Issue being Link Intime India Private Limited having office at C – 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083. |
| Regulations | Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time. |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000. |
| SCSB | A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 |
| SME Platform of BSE Limited | The SME Platform of BSE Limited for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011. |
| Underwriter | Underwriter to the issue – Beeline Broking Limited. |
| Underwriting Agreement | The Agreement entered into between the Underwriter and our Company dated August 9, 2018. |
| Working Days | i. Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; ii. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

TECHNICAL AND INDUSTRY RELATED TERMS

| Term | Description |
|------|-----------------------------|
| BE | Budgeted Estimate |
| CAGR | Compound Annual Growth Rate |
| CO2 | Carbon Dioxide |

| | |
|------|--|
| DBT | Direct Benefit Transfer |
| FIBC | A flexible intermediate bulk Container |
| GDP | Gross Domestic Product |
| GPD | Gallons per day |
| GST | Goods and Service Tax |
| GTR | Gross Tax Revenue |
| kgf | Kilogram Force |
| Kgs | Kilograms |
| MAT | Minimum Alternate Tax |
| MR | Market Research |
| MT | Metric Ton |
| NER | North Eastern region |
| PP | POLYPROPYLENE |

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

| Term | Description |
|---------------------------------|--|
| A/c | Account |
| Act or Companies Act | Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time |
| AGM | Annual General Meeting |
| AO | Assessing Officer |
| ASBA | Application Supported by Blocked Amount |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| AY | Assessment Year |
| BG | Bank Guarantee |
| BIFR | Board for Industrial and Financial Reconstruction |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CAN | Confirmation Allocation Note |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| CIT | Commissioner of Income Tax |
| CRR | Cash Reserve Ratio |
| Depositories | NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996 as amended from time to time |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time |
| DIN | Director's identification number |
| DP/ Depository Participant | A Depository Participant as defined under the Depository Participant Act, 1996 |
| DP ID | Depository Participant's Identification |
| EBIDTA | Earnings Before Interest, Depreciation, Tax and Amortization |
| ECS | Electronic Clearing System |
| EoGM | Extra-ordinary General Meeting |
| EPS | Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year |
| Financial Year/ Fiscal Year/ FY | The period of twelve months ended March 31 of that particular year |
| FDI | Foreign Direct Investment |
| FDR | Fixed Deposit Receipt |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder and as amended from time to time |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended |

| Term | Description |
|----------------------|--|
| FII | Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India |
| FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended |
| FIs | Financial Institutions |
| FIPB | Foreign Investment Promotion Board |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time |
| GDP | Gross Domestic Product |
| GIR Number | General Index Registry Number |
| Gov/ Government/GoI | Government of India |
| HUF | Hindu Undivided Family |
| IFRS | International Financial Reporting Standard |
| ICSI | Institute of Company Secretaries of India |
| ICAI | Institute of Chartered Accountants of India |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| ITAT | Income Tax Appellate Tribunal |
| INR/ Rs./ Rupees / ₹ | Indian Rupees, the legal currency of the Republic of India |
| Ltd. | Limited |
| Pvt. Ltd. | Private Limited |
| MCA | Ministry of Corporate Affairs |
| Merchant Banker | Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended |
| MOF | Ministry of Finance, Government of India |
| MOU | Memorandum of Understanding |
| NA | Not Applicable |
| NAV | Net Asset Value |
| NEFT | National Electronic Fund Transfer |
| NOC | No Objection Certificate |
| NR/ Non Residents | Non Resident |
| NRE Account | Non Resident External Account |
| NRI | Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations |
| NRO Account | Non Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| NTA | Net Tangible Assets |
| p.a. | Per annum |
| P/E Ratio | Price/ Earnings Ratio |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PIO | Person of Indian Origin |
| PLR | Prime Lending Rate |
| R & D | Research and Development |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934, as amended from time to time |
| RoNW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SAT | Securities Appellate Tribunal |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to Time |

| Term | Description |
|---|---|
| SCSBs | Self-Certified Syndicate Banks |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992 |
| SEBI Act | Securities and Exchange Board of India Act 1992, as amended from time to time |
| SEBI Insider Trading Regulations | SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time |
| SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time |
| SEBI Rules and Regulations | SEBI (ICDR) Regulations, 2009, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time |
| Sec. | Section |
| Securities Act | The U.S. Securities Act of 1933, as amended |
| S&P BSE SENSEX | S&P Bombay Stock Exchange Sensitive Index |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time |
| SME | Small and Medium Enterprises |
| Stamp Act | The Indian Stamp Act, 1899, as amended from time to time |
| State Government | The Government of a State of India |
| Stock Exchanges | Unless the context requires otherwise, refers to, the BSE Limited |
| STT | Securities Transaction Tax |
| TDS | Tax Deducted at Source |
| TIN | Tax payer Identification Number |
| UIN | Unique Identification Number |
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| VCFs | <p>Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p>In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p> |

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

FINANCIAL DATA

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our audited financial statements for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2009 and the Indian GAAP which are included in the Draft Prospectus, and set out in the section titled “Auditors Report and Financial Information of our Company” beginning on page no. 126 of this Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “Risk Factors”, “Business Overview” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” beginning on page nos. 9, 69 and 162 respectively of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2009 and the Indian GAAP.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Prospectus is reliable, it has not been independently verified.

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

CURRENCY AND UNITS OF PRESENTATION

In the Draft Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America, EURO or “€” are Euro currency,
- All references to the word ‘Lakh’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten Lakh’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

FORWARD LOOKING STATEMENTS

All statements contained in the Draft Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products and services;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Business Overview” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” on page nos. 9, 69 and 162 respectively of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes 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. None of our Company, the Directors, the LM, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

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

Materiality

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

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

Note:

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

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” and elsewhere in this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements prepared in accordance with Indian GAAP.

INTERNAL RISK FACTORS:

1. Income Tax Department has raised several demands/ issued notices against our Company and Group Companies/Entities, which if determined against, could adversely impact financial conditions.

Our Company and Group Companies/Entities against whom income tax department has raised demand/ issued notices. Any adverse decision against our Company and Group Companies/Entities, may adversely affect financial condition. The summary of outstanding legal and proceedings are given in the following table:

| Particular | Nature of cases/Demand | No. of outstanding Demands and Notices | Amount involved (in ₹) |
|---|------------------------|--|------------------------|
| Litigation against Company | Income Tax | 11 | 1,28,070/- |
| Litigation against Group Companies/Entities | Income Tax | 27 | 11,72,473/- |

For detailed information on the outstanding demands/ notices, please refer to chapter titled “Outstandings Litigations and Material Developments” on page no. 168 of this Draft Prospectus.

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

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective

regulatory can impose fine on our company or suspension and/or cancellation the approval/licenses which may affect our business adversely.

Moreover, there can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Further, certain statutory and regulatory may put certain terms and conditions, which are required to be complied with by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations.

Many of the Licenses and approvals in the name of Shubham Polyspin Private Limited; the same are required to be updated/ changed with various government authorities. Our Company is taking necessary steps in this regards.

For more information about the licenses required in our business and the licenses and approvals please refer section "Government and other statutory approvals" appearing on page no. 172 of this Draft Prospectus.

3. The Company is dependent on few numbers of customers and suppliers for sales and purchase from top 10 customers and suppliers. Loss of any of these large customer and supplier will significantly affect our revenues and profitability.

As per Books of Accounts of our Company, our top ten customers contributes 56.61% and 57.95% of our total sales for the year ended March 31, 2018 and March 31, 2017 respectively out of which one of our Group Company - Shubham Tex-O-Pack Private Limited contributed 12.26% for the year ended March 31, 2018. Any decline in our quality standards, growing competition and any change in the demand, may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

Moreover, as per Books of Account of the Company, our top ten suppliers delivered 90.31% and 92.86% of the total raw materials purchased for the year ended March 31, 2018 and March 31, 2017 respectively out of which one of our Group Company - Shubham Tex-O-Pack Private Limited contributed 13.31% for the year ended March 31, 2018. The loss of any of these suppliers will significantly affect our revenue and profitability.

4. Being a manufacturing company, we have low net profit margins as compared to industry standards.

As company is engaged in the manufacture of all kind of PP Multifilament Yarn/Fabrics, we have in the past reported net profit margins of 5.24%, 1.22%, 1.61%, 1.51% and 0.35% for the financial year ending March 31; 2018, 2017, 2016, 2015 and 2014 respectively. Due to lower margins, we have lower EPS for our shareholders and may continue to do so. If the margins do not increase over time, we may continue to earn lower profits on higher revenues resulting in slower growth and affect overall financial condition. The management believes that lower margins are mainly due to non-compromise on quality and compliance which is beneficial in the long run. If we are unable to increase our margins, it may affect our growth prospects, profitability, operations and overall financial condition along with ability to absorb the fixed costs, if any, for the manufacture of new and innovative products.

5. We are dependent on third party transportation providers for the delivery of our raw materials to our manufacturing facilities and also for our finished products to various customers. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.

We presently do not own any trucks which are used for delivery of our raw materials to our manufacturing facilities and also for our finished products to various customers. We procure raw materials from our vendors across the country and also from international markets wherever required. Also, our finished products are sold and delivered to different location within the country and also exported to many countries. A majority of raw material and finished products are transported to and from our manufacturing units by third party transportation providers. Transportation strikes could have an adverse effect on our receipt of goods, raw materials and our ability to deliver our products to our customers. Non-availability of ships, barges, trucks and railway cars could also adversely affect our receipt of goods, raw materials and the delivery of our products. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. Further, India's physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks,

electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of goods, raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

6. There may be potential conflicts of interest if our Promoters, Promoters' Group or Directors are involved in same business activities that compete with or are in the same line of activity as our business operations.

Certain Group Companies/entities are involved in similar line of Business that is being carried out by our Company. Also our Company has entered into various transactions with our Group Companies and will continue to do in future. For detailed information for our transaction with group Companies, please refer to Annexure - 30 of Restated financial Statement under chapter titled "Auditors Report and Financial Information of our Company" beginning on page no. 126 of this Draft Prospectus. Further, we have not entered into any non-compete agreement with our said entity. We cannot assure you that our Promoters, Promoter's Group or Directors who have common interest in said entities may not favor the interest of the said entity. Any such present and future conflicts could have a material effect on our reputation, business, results of operations and financial condition which may affect our profitability and results of operations.

7. Our Company has not entered into any supply agreement for the major raw materials required for manufacturing of our products. Volatility in the prices and non availability of these raw materials may have an adverse impact in our business.

Our major raw materials for manufacture of all kinds of Polypropylene Multifilament Yarn/Fabrics made from Polypropylene, Colour Masterbatches, UV Master Batches and Spin Finish Oil which we buy from suppliers, these raw materials are generally purchased from various manufacturers or agents. We do not have any agreement with the suppliers of raw materials. Therefore, any significant increase in the prices of these raw materials due to any reasons, and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability. For further details of various raw materials required, see "Business Overview" on page no. 69 of this Draft Prospectus.

8. Our Company has not entered into any long-term contracts with any of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.

Our Company has had long standing business relationships with various customers and we have been selling our products to such customers, including overseas customers, since last few years. However, we have not entered into any specific contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of consistency of the products that our Company supplies, fluctuation in demand for products manufactured by our Company and customer's inventory management.

Although we place a strong emphasis on quality, timely delivery of our products and prompt availability of a variety range of products, in the absence of long term contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

9. The order of the total cost of modernization of plant and machinery, for upgradation of 4 existing machinery worth ₹136.41 lakhs which is yet to place.

The suppliers for the plant and machinery worth ₹136.41 Lakhs to be procured for upgradation and modernization of existing 4 machinery in order to continue to reap the optimum utilization of existing installed capacity by 200 MT/per month are identified but the order for the plant and machineries are yet to be placed with the supplier. We are subject to risks on account of inflation in the price of machineries which may affect the cost of the project and which may require us to arrange the additional fund for completion of the project. If we are not able to arrange such additional fund in due time which may results in delay in implementation of our project and which may result into adversely affects the profitability and financial results of the company.

10. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section “Objects of the Issue” on page no. 55 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations.

11. We have taken various secured facility from lenders which are repayable as per repayment schedule and/or on demand. Any demand from lenders for repayment of such secured may adversely affect our business operations. Further, our indebtedness and the conditions and restrictions imposed by our financing and other agreements could adversely affect our ability to conduct our business and operations.

We have obtained a substantial amount of indebtedness which could adversely affect our financial condition. As on June 30, 2018, the total outstanding balance of various facilities availed by our Company from various Banks is ₹ 1326.58 Lakh w.r.t. Cash Credit and various term/car loans.

Further, we may be bound by restrictive and other covenants in our facility agreements with lender, including but not limited to, restrictions on the utilization of the loan for certain specified purposes w.r.t change in capital structure, Board of Directors, formulation of any scheme of amalgamation and reconstruction etc, timely provision of information and documents, timely creation of security, obtaining prior consent from existing lenders, maintenance of financial ratios and obtaining prior written approval from the appropriate lender for various corporate actions. If we are not in compliance with certain of these covenants and are unable to obtain waivers from all of our lenders, our lenders may accelerate the repayment schedules. Subsequently, if we are unable to pay our debt, affected lenders could also proceed against any collateral granted to them to secure such indebtedness. Furthermore, these covenant defaults can result in cross-defaults in our other debt financing agreements, and there can be no assurance that potential defaults will not result in future cross-defaults. If our lenders accelerate the repayment of our borrowings, we cannot assure you that we will have sufficient assets to repay amounts outstanding under our loan agreements or continue our business. In addition, we may require to avail additional indebtedness in the future in the form of secured loan which our lender may not agree or sanction the requisite amount in future.

12. Our Company has availed certain unsecured loans that may be callable on demand by the lenders at any point of time.

As on March 31, 2018, outstanding balance of unsecured loans including incorporated loans availed by our Company was ₹ 209.59 Lakhs which have been take from NBFC, Directors, Promoters, Promoters Group and various companies that are callable on demand by the lenders at any point of time. In case of any demand from lenders for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company. For further details related to unsecured loan, please refer “Annexure 8” in the chapter titled “Auditors Report and Financial Information of Our Company” on page no. 139 of this Draft prospectus.

13. Our business depends on our manufacturing facility and the loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations.

Our manufacturing facilities are subject to operating risks such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, raw material shortage or unsuitability, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, earthquakes and other natural disasters, social unrests, industrial accidents, our ability to respond to technological advances and emerging industry and safety standards and practices in the industries in which we operate and propose to operate on a cost-effective and timely basis and any other factors which may or may not be within our control and also we need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and the trading price of our Equity Shares may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

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

Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Although, we have entered into contract for supply of contractual labour but there is no certainty that we will be able to get the requisite amount of manpower whenever required. Though we have not faced any labour problem in the past, we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse effect on our business, and results of operations.

15. Our operations may be adversely affected by strikes, work stoppages or increased wage demands by our or our contractors' workforce or any other industrial unrest or dispute.

While we have not experienced any industrial unrest or dispute in our manufacturing unit in the past, we cannot be certain that we will not suffer any disruption to our operations due to strikes, work stoppages or increased wage demands in the future. Further, if our work force in our unit unionizes in the future, collective bargaining efforts by labour unions may divert our management's attention and result in increased costs. We may be unable to negotiate acceptable collective wage settlement agreements with those workers who have chosen to be represented by unions, which may lead to union-initiated strikes or work stoppages. Any shortage of skilled and experienced workers caused by such industrial unrest or disputes may adversely affect our business, results of operations and financial condition. Further, under Indian law, we may be held liable for wage payments or benefits and amenities made available to "daily wage" workers. Any requirement to discharge such payment obligations, benefits or amenities or to absorb a significant portion of the "daily wage" workers on our own rolls may adversely affect our business, results of operations and financial condition.

16. Any inability on our part to maintain quality standards could adversely impact our business, results of operations and financial condition.

Quality control is vital element for our sector. Any rapid change in our customers' expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and financial condition. Any failure on our part to successfully meet customer demand or preference may negatively affect our business, results of operation and financial condition.

17. In addition to normal remuneration, other benefits and reimbursement of expenses to our Promoters and Directors; they are interested to the extent of their shareholding and dividend entitlement thereon in our Company and for the transactions entered into between our Company and themselves as well as between our Company and our Group Companies/Entities.

Our Promoters – Directors are interested in our Company to the extent of their shareholding and dividend entitlement thereon in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. Our Promoters and Directors are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entity which may be or may not be at Arms' Length Price and in Ordinary Course of Business. If the transactions are executed not on Arms' Length Price and in Ordinary Course of Business, our financial position may get affected to that extent. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities during last five years, please refer to the chapters titled "Related Party Transactions" beginning on Page No. 124 of this Draft Prospectus.

18. 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.

While we believe that we maintain insurance coverage in amounts consistent with industry norms. If any or all of our facilities are damaged in whole or in part and our operations are interrupted for a sustained period, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the cost of repairing or replacing the damaged facilities. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and result of operations may be materially and adversely affected.

19. We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

India is our primary market and we face competition in our business from local as well as nationwide manufacturers and suppliers of Polypropylene Multifilament Yarn/Fabrics. There are a large number of players manufacturing same or similar products. Thus, competition in these markets is based primarily on demand and price. As a result, to remain competitive in our market, we must continuously strive to achieve operating efficiencies and secure our raw materials requirements. If we fail to do so, other manufacturers and suppliers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations.

Increased consolidation in the Multifilament Yarn/Fabrics industry means that many of our competitors may benefit from greater economies of scale, including the ability to negotiate preferential prices for products or receive discounted prices for bulk purchases of goods that may not be available to us. We compete with various domestic and international competitors by establishing ourselves as knowledge and innovation based company with manufacturing capabilities of a variety of Polypropylene Multifilament Yarn/Fabrics. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value added services. Further, we cannot assure you that our current or potential competitors will not offer products comparable or superior to our products at rates attractive that

ours. Failure to match our product quality, consistency and price accordingly might have an adverse effect on our operations and financial results.

20. Our revenues derived from sales in the export market are limited to few regions. Our growth strategy to expand into new geographic areas outside India and within India poses risks. We may not be able to successfully manage some or all of such risks, which may have a material adverse effect on our revenues, profits and financial condition.

Our manufacturing operations have been geographically concentrated in the few of States of India. Our export market is limited to a few regions like Belgium, Poland, Italy, Turkey, Qatar, Oman, Sri-lanka, Bangladesh, Tanzania, Ethiopia, South Africa, Nigeria, Madagascar, Kenya, East Africa, Zimbabwe, Malawia etc. Our total export sales for the financial year 2017-18 amounted to approximately 11.77% of the total sales. Our business is therefore to a small extent dependent on the general economic condition and activity in the international market in which we operate along with the Government policies relating to plastic industry in all these regions, including central, state and local government policies in India.

We may expand geographically in the domestic and international market, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We may face additional risks if we undertake operations in other geographic areas in which we do not possess the same level of familiarity as competitors. For example, expanding our scope by marketing our products in the regulated markets may prove difficult due to the stringent norms and we may have to discontinue our activities in such areas. If we undertake operations in different geographical locations than those currently is; we may be affected by various factors, including but not limited to:

- Adjusting our products to the new geographic area;
- Ascertaining the creditworthiness of the buyer and maintain credit terms with the same;
- Obtaining necessary Government and other approvals in time or at all;
- Failure to realize expected synergies and cost savings;
- Attracting potential customers in a market in which we do not have significant experience; and
- Cost of hiring new employees and absorbing increased costs.

Any failure to manage all above risk may have a material adverse effect on our revenues, profits and financial condition.

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

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under.

(₹ In Lakh)



| Particulars | For the year ended on | | | | |
|--|-----------------------|----------------|----------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
| Net Cash Generated from Operating Activities | 214.08 | 302.87 | 185.98 | 156.97 | (160.48) |
| Net Cash Generated From Investing Activities | 2.25 | (360.39) | (385.78) | (40.66) | (125.75) |
| Net Cash Generated from Financing Activities | 212.19 | 55.65 | 200.26 | (97.32) | 289.77 |

22. Our Object has not been appraised by any Bank or Financial Institution. Any significant deviation in the Object could adversely impact our operations and sustainability in absence of any independent monitoring agency.

We have estimated fund raising to the extent of ₹ 600.00 Lakh to finance the ‘Objects of the Issue’ (including Issue Expenses). The proposed objects for which the funds are being raised have not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on Management estimates. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency. For details of the “Object of the Issue”, please refer page no. 55 of this Draft Prospectus.

23. Our logo / trademark are currently pending for registration. Our ability to protect our intellectual properties, namely our trademark / logo is restricted until we receive registered trademark from the appropriate authority.

Our ability to protect our intellectual properties, namely our trademark / logo is restricted until we receive registered trademark from the appropriate authority. Following are the intellectual property registrations pending as on date:

| Sr. No. | Authority Granting Approval | Application No. | Applicable Laws/Rules | Nature of Approvals* | Status |
|---------|--|------------------------------|-----------------------|---|---|
| 1. | Trade Mark Registry, Government of India | 3787040 dated March 23, 2018 | Trade Marks Act, 1999 | Use of following Mark as Registered Trademark under Class 23 - Yarns and threads included in Class 23  | Accepted & Advertised in Journal No: 1848 dated May 7, 2018 |
| 2. | Trade Mark Registry, Government of India | 3787039 dated March 23, 2018 | Trade Marks Act, 1999 | Use of following Mark as Registered Trademark under Class 23 - Yarns and threads included in Class 23  | Objected |

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. If approval of registration of trademarks are not granted from the appropriate authority, it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us, although we may have a claim on account of prior usage in such event. Any unauthorized usage by a third party of our logo may create confusion in the market as to our identity and/or may have a material adverse effect on our reputation, goodwill, business prospects and results of operation too. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

24. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters is unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters, along with the key managerial personnel, have over the years built relations with various suppliers, customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

25. Our Company has entered into certain related party transactions and may continue to do so in the future.

Our Company has entered into few related party transactions with our Promoters, Directors, Promoter Group, Group companies/entities during the last five Financial Years. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to "Annexure 30 - Related Party Transactions" under section titled "Auditors Report and Financial Information of our Company" on page no. 126 of this Draft Prospectus.

26. The capacity of the manufacturing plants is not fully utilized, consecutively, if there is any under-utilization of our proposed capacities in such case this could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.

The capacities at our manufacturing unit have not been fully utilized, the details of which are as follows:

(In Metric Ton/Per Annum)

| EXISTING | | | | | | |
|---|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Products | F.Y. 2015-16 | | F.Y. 2016-17 | | F.Y. 2017-18 | |
| | Installed Capacity | Capacity Utilization | Installed Capacity | Capacity Utilization | Installed Capacity | Capacity Utilization |
| All Kinds of Polypropylene Multifilament Yarn/Fabrics | 1200 | 1091.57 | 1900 | 1604.94 | 2400 | 2122.03 |
| In % | | 90.96 | | 84.47 | | 88.42 |

(In Metric Ton/Per Annum)

| PROPOSED/PROJECTED | | | | | | |
|---|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Products | F.Y. 2018-19 | | F.Y. 2019-20 | | F.Y. 2020-21 | |
| | Installed Capacity | Capacity Utilization | Installed Capacity | Capacity Utilization | Installed Capacity | Capacity Utilization |
| All Kinds of Polypropylene Multifilament Yarn/Fabrics | 2850 | 2420 | 3000 | 2700 | 3000 | 2700 |
| In % | | 88.00 | | 90.00 | | 90.00 |

Notes: - In F.Y. 2015-16, there were two machines installed having manufacturing capacity of 600 MT/per annum each, aggregating to 1200 MT/per annum. Further in August 2016, two additional new machines were installed having manufacturing capacity of 50MT/per month per machine, resulting into increased in our installed capacity by 700 MT for remaining period of 7 months in the FY 2016-17. In the F.Y. 2017-18, total 4 machines were operated at an optimum utilization installed capacity of 2400 MT/ per annum.

In Current F.Y. 2018-19, one new machine is installed, which will increase our capacity Utilization by 50 MT/ per month. Therefore our installed capacity in F.Y. 2018-19 will be 2850 MT (600 MT/Per month from existing 4 machines operating for 12 months and 50 MT per month for remaining 9 months from new machine installed). In the F.Y. 2019-20 and F.Y. 2020-21, total 5 machines will be operated at an optimum utilization installed capacity of 3000 MT/ per annum.

We may decide to increase our product portfolio and to enter more geographical areas based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our existing and / or future products and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our consolidated financial performance.

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

Information relating to our production capacities and the proposed capacity utilization of our production facilities for the financial year 2018-19, 2019-20 and 2020-21 included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials. Actual production levels and utilization rates may differ significantly from the estimated production capacities or proposed estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Prospectus. For further information, see the section titled "Business Overview" on page no. 69 of this Draft Prospectus.

28. Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

Post this Issue, our Promoter and Promoter Group will collectively own 72.78% of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of

Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

29. We have not identified any alternate source of raising the funds required for our ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavorable terms; such scenarios may affect the business operation and financial performance of the company.

30. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior Shareholders’ approval.

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition and may adversely affect our business and results of operations. For further details of the proposed objects of the Issue, refer “Objects of the Issue” on page no. 55 of this Draft Prospectus.

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

Our industry is continually changing due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products, new designs and significant price competition. To meet our customers’ needs as well as keep pace with our competitors, we regularly update existing technology and acquire or develop new technology for our all products. If our Extrusion technologies, and other technology become obsolete, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected. Although we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete and we may not have the adequate sources to install and upgrade our existing technology and machinery. The cost of implementing new technologies and upgrading our manufacturing facilities would require substantial new capital expenditures and/or write-downs of assets and could adversely affect our business, prospects, results of operations and financial condition.

32. Our inability to manage growth could disrupt our business and reduce profitability.

A principal component of our strategy is to continuously grow by expanding the capacity, size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

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

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakh. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the Companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

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

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of our products, or any other unforeseen events could affect our reputation and our results from operations.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

36. Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

37. Difficulties and uncertainties surrounding the implementation of a GST regime in India may adversely affect our business strategy.

The GoI has implemented a comprehensive GST regime which has combined taxes and levies by the central and state governments into a unified indirect tax on the manufacture, sale and consumption of goods and services at a national level. We expect the GST regime to benefit the inter-state movement of services which may lead to opportunities for growth of our business. In addition, since the GST regime has been implemented, the impact, if any, that implementation of the GST regime will have on our tax liability and other related matters is uncertain. We cannot assure you that the GST regime will not result in levy of certain additional taxes. In the event GST increases our tax liability, our financial condition and results of operations could be affected. In respect of our business, we may experience an increase in our tax liabilities. If these additional taxation expenses are not reimbursed by our clients or if we are not able to obtain suitable relief from the tax authorities, our business, financial condition and results of operations may be affected. For further details of regulation applicable to us, refer chapter titled “Key Industrial Regulation and Policies” beginning on page no. 87 of this Draft Prospectus.

38. Our Group Company have incurred losses in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our group company.

Following of our group companies have incurred losses in the last three years:

(₹ in Lakh)

| Sr. No. | Name of Group Company/Entity | F.Y 2017-18 | F.Y 2016-17 | F.Y. 2015-16 |
|---------|----------------------------------|-----------------|-------------|----------------|
| 1. | Shubham Texplast Private Limited | (13.82) | (0.19) | (0.25) |
| 2. | Accura Hygiene LLP | Not yet prepare | (0.15) | Not Applicable |
| 3. | Flexishine Polyblends LLP | Not yet prepare | (0.38) | Not Applicable |

Further, few of our Group Company/entity have not started commercial activities. Any operating losses could adversely affect the overall operations of the group and financial conditions and also divert the attention of the management and promoter towards the group company which could have an adverse effect on our operations and financials. For more information, regarding the Company, please refer chapter titled “Financial Information of Our Group Companies/Entities beginning” on page no. 116 of this Draft Prospectus.

39. The requirements of being a public listed company may strain our resources and impose additional requirements.

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange.

40. Certain data mentioned in this Draft Prospectus has not been independently verified.]

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

EXTERNAL RISK FACTORS

1. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

2. Any changes in the regulatory framework could adversely affect our operations and growth prospects

Our Company is subject to various regulations and policies. For details see section titled “Key Industry Regulations and Policies” beginning on page no. 87 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

3. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price And liquidity of

our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

4. Our 100% Revenue is not derived from business in India and a decrease in economic growth in India or could cause our business to suffer.

We do not derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian and exporting countries economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

5. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

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

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Beeline Broking Limited as Designated Market maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

7. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Further, with the Introduction of the Goods and Services Act, tax rates and its implication may have material impact on raw materials or on our Products. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

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

The Issue Price of our Equity Shares is ₹ 40/-. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page no. 61 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation the following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

9. You will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the New Companies Act, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

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

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE Limited. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

Prominent Notes

1. Our Company was incorporated as "Shubham Polyspin Private Limited" at Ahmedabad on March 12, 2012, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent up on the conversion of our Company from Private Company to Public Company, the name of our Company was changed to "Shubham Polyspin Limited" and fresh Certificate of Incorporation consequent up on the conversion from Private Company to Public Company dated July 24, 2018 was issued by the Registrar of Companies, (RoC) Ahmedabad.
2. This is a Public Issue of 1500000 equity shares of face value of ₹ 10 each of Shubham Polyspin Limited ("Shubham" or the "Company" or the "Issuer") for cash at a price of ₹ 40 per equity share including a share premium of ₹ 30 per equity share (the "issue price") aggregating to ₹ 600.00 Lakh ("the issue"), of which 78000 equity shares of face value of ₹ 10 each for cash at a price of ₹ 40 per equity share including a share premium of ₹ 30 per equity share aggregating to ₹ 31.20 Lakh will be reserved for subscription by market maker to the issue (the "market maker reservation portion"). the issue less the market maker reservation portion i.e. net issue of 1422000 equity shares of face value of ₹ 10 each at a price of ₹ 40 per equity share including a share premium of ₹ 30 per equity share aggregating to ₹ 568.80 Lakh is herein after referred to as the "net issue". The issue and the net issue will constitute 27.22% and 25.81% respectively of the post issue paid up equity share capital of our company.
3. For information on changes in our Company's name and registered office please refer to the chapter titled "History and Certain Corporate Matters" beginning on page no. 96 of this Draft Prospectus.
4. Our Net Worth as per Restated Financial Statement as at March 31, 2018 and as on March 31, 2017 was ₹ 616.45 Lakh and ₹ 468.55 Lakh respectively.
5. The Net Asset Value of our Equity Share was ₹ 15.37 per Equity Shares as at March 31, 2018. For more information, please refer to section titled "Auditors Report and Financial Information of Our Company" beginning on page no. 126 of this Draft Prospectus.
6. Investors may contact the Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.
7. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

| Sr. No. | Name of Promoters | No. of Equity Shares held | Average Cost of Acquisition per equity share (in ₹) |
|---------|---------------------------|---------------------------|---|
| 1. | Mr. Anil Devkishan Somani | 1200000 | 10.00 |
| 2. | Mr. Ankit Anil Somani | 1827000 | 10.00 |
| 3. | Mr. Akshay Anil Somani | 780000 | 10.00 |

The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by

them for the sale of Equity Shares through transfer and the net cost of acquisition has been divided by total number of shares held as on date of this Draft Prospectus. For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled “Capital Structure” beginning on page no. 38 of this Draft Prospectus.

8. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Prospectus.
9. The details of transaction by our Company with group companies/entities are disclosed under “Related Party Transactions” in “Annexure – 30” of “Auditors Report and Financial Information of our Company” beginning on page no. 126 of this Draft Prospectus.
10. No Group companies have any business or other interest in our Company, except as stated in “Annexure – 30” “Restated Statement of Related Party Transactions” in section titled “Auditors Report and Financial Information of our Company beginning on page no. 126 and “Financial Information of Our Group Companies/Entities” on page no. 116 of this Draft Prospectus and to the extent of any Equity Shares held by them, if any and to the extent of the benefits arising out of such shareholding.
11. Investors may note that in case of over-subscription in the Issue, Allotment to retail Applicants and other Applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “Issue Structure” beginning on page no. 192 of this Draft Prospectus.
12. Except as disclosed in the chapter titled “Capital Structure” beginning on page no. 38 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than cash.
13. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.

SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and other industry sources. Neither we nor any other person connected with this Issue have 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 their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly investment decisions should not be based on such information.

Overview of the Economy

The year 2017-18 was marked with strong macro-economic fundamentals. However, the growth of gross domestic product (GDP) moderated in 2017- 18 vis-à-vis 2016-17. There was an improvement in export growth, fiscal trends remained attuned to the consolidation plans and inflation remained within the limits. The year also witnessed an increase in global confidence in Indian economy as well as improvement in ease of doing business ranking. Various economic reforms were undertaken in the year which includes: implementation of the Goods and Service Tax, announcement of bank recapitalization, push to infrastructure development by giving infrastructure status to affordable housing, higher allocation of funds for highway construction and greater focus on coastal connectivity. Further initiatives include: lower income tax for companies with annual turnover up to 50 crore; allowing carry-forward of MAT credit up to a period of 15 years instead of 10 years at present; further measures to improve the ease of doing business; and, major push to digital economy. Other sectoral initiatives undertaken include: measures to revive the construction sector and promotion of exports in textile and apparel industry. Apart from these, the measures that were taken by the Government in the previous years to boost manufacturing, employment generation, improving ease of doing business and transparency via schemes such as Make-in-India, Skill India, direct benefit transfer and measures for financial inclusion were also taken forward in 2017-18. An important macro-economic challenge faced by the Indian economy relates to the declining trend in the investment and saving rates, as seen from the latest available data. Nonetheless, medium-term macro outlook remains bright against the background of implementation of GST, green shoots in the global economy, relatively stable prices and improvement in indicators of external sector.

GDP growth

As per the 1st Advanced Estimates released by the Central Statistics Office (CSO), the economy is expected to grow by 6.5 per cent in 2017-18 in terms of GDP at constant (2011-12) market prices. The gross value added (GVA) at constant (2011-12) basic prices is expected to grow by 6.1 per cent in 2017-18, as compared to the growth of 7.1 per cent achieved in 2016-17. The growth in agriculture, industry and services is estimated at 2.1 per cent, 4.4 per cent and 8.3 per cent respectively in 2017-18, as compared to 4.9 per cent, 5.6 per cent and 7.7 per cent in 2016-17. Growth rate of industry sector declined in 2017-18, mainly on account of moderate growth in manufacturing sector. It was the services sector that contributed to more than half of the overall GVA growth rate of 6.1 per cent in 2017-18. From the demand side, the final consumption expenditure has been the major driver of GDP growth. The growth of fixed investment at constant prices increased from 2.4 per cent in 2016-17 to 4.5 per cent in 2017-18. As per CSO, the exports of goods and services are estimated to grow by 4.5 per cent in real terms in 2017-18 as was the case in 2016-17, whereas the imports are estimated to grow by 10.0 per cent in 2017- 18 as against 2.3 per cent in 2016-17.

Industry and Services

The performance of the industrial sectors based on the Index of Industrial Production (IIP) comprising mining, manufacturing and electricity reveals the industrial sector registered a growth of 3.2 per cent during April-November 2017, as compared to 5.5 per cent during the corresponding period of previous year. As per the sectoral classification, mining, manufacturing and electricity sectors registered 3.0 per cent, 3.1 per cent and 5.2 per cent growth during April-November 2017 over the corresponding period of previous year respectively. Among the use-based categories, primary goods, capital goods, intermediate goods, infrastructure/construction goods, consumer non-durables goods attained positive growth during April-November 2017.

Central Government Finances

Commitment to fiscal consolidation helped the Government achieve the fiscal deficit target of 3.5 per cent of GDP budgeted in 2016-17. In 2017-18, fiscal deficit and revenue deficit were budgeted at ₹5,46,532 crores (3.2 per cent of GDP) and ₹3,21,163 crores (1.9 per cent of GDP) respectively. The budget estimates (BE) for 2017-18 envisaged a tax to GDP ratio of 11.3 per cent and total expenditure to GDP ratio 12.7 per cent. The envisaged growth for gross tax revenue (GTR) was 12.2 per cent over revised estimate (RE) of 2016-17. The total expenditure in BE 2017-18 was estimated to increase by 6.6 per cent over RE of 2016-17.

As per the data on Union government finances for April-November 2017 released by Controller General of Accounts, the GTR increased by 16.5 per cent in comparison to the corresponding period of the previous year and was at 56.9 per cent of BE of 2017-18. The non-tax revenue registered a decline of 39.7 per cent over the corresponding period of the previous year. On the contrary, at the end of November 2017, the non-debt capital receipts increased by 89.9 per cent and stood at 73.3 per cent of the BE of 2017-18.

Major subsidies increased by 4.2 per cent during April-November 2017, as compared to April-November 2016. Food subsidy increased by ₹12,196 crore and petroleum subsidy increased by ₹2518 crore during April-November 2017 as compared to the corresponding period in 2016-17 while fertilizer subsidy declined by ₹6,437 crore.

Fiscal deficit and revenue deficit at 112 per cent of BE and 152.2 per cent of the BE respectively in the year 2017-18 (April-November) was higher than the five-year average of 89.2 per cent and 97.8 per cent respectively. The revised estimates place fiscal and revenue deficits at 3.5 per cent of GDP and 2.6 per cent of GDP respectively in 2017-18.

Prospects

The reforms measure undertaken in 2017-18 can be expected to strengthen and reinforce growth momentum. The prospects for Indian economy for the year 2018-19 need to be assessed in the light of emerging global and domestic developments. Indications are that global economic growth is expected to pick up slightly. This can be expected to provide further boost to India's exports, which have already shown acceleration in the current financial year. On the other hand, the increasing global prices of oil and other key commodities may exert an upward pressure on the value of imports. There are signs of revival of investment activity in the economy and the recent pick up in the growth of fixed investment can be expected to maintain momentum in the coming year. In line with the projections for strengthening of India's growth by multi-lateral institutions, the nominal growth of the economy is expected to be 11.5 per cent in the financial year 2018-19.

(Source: <https://www.indiabudget.gov.in/ub2018-19/frbm/frbm1.pdf>)

Fiscal Policy Outlook for 2018-19

The Government is aiming to revert to the path of fiscal rectitude after the temporary blip in the following year, that is FY 2018-19. This will also be the maiden year of the new targeting framework, where the twin focus would be on reducing debt and the fiscal deficit. The Government aims to reach the FD target of 3.3 per cent of GDP in BE 2018-19. 16. The Gross Tax Revenue of the Government is expected to increase to ₹ 2271242 crore in BE 2018- 19 from an RE of ₹ 1946119 crore. This implies a growth of 16.7 per cent over the RE. As a per cent of GDP this is anticipated to be 12.1 per cent compared to the 11.6 per cent assumed in RE 2017-18. There is a bump-up in the GTR to GDP estimates from the level of RE 2017-18. The caveat is that the GTR includes a portion, the GST Compensation Cess (amounting to ₹ 90000 crore) which cannot be utilised by the Central Government for its expenditure commitments. 17. Direct taxes have been projected to increase to ₹ 1150000 crore in BE 2018-19. This implies a growth of 14.4 per cent in 2018-19 compared to RE 2017-18. The increase in direct taxes is expected to be from both the arms of direct tax, namely Corporate Income Tax and Personal Income Tax. These have been budgeted to increase to ₹ 621000 crore and ₹ 529000 crore respectively. 18. Indirect taxes in BE 2018-19 are expected to be ₹ 1116000 crore. It is anticipated that the GST revenues will be ₹ 743900 crore in BE 2018-19 compared to ₹ 444631 crore in RE 2017-18. The fact that GST was imposed only after the completion of the first quarter. The non-GST component of the indirect taxes would be ₹ 372100 crore in BE 2018- 19. This is compared to ₹ 491744 crore in RE 2017- 18. It is expected that Indirect taxes will grow by 17.3 per cent in 2018-19 over RE 2017-18. 19. The Non tax revenue is expected to grow over the RE 2017-18 by 3.9 per cent to an amount of ₹ 245089 crore in BE 2018-19. As a per cent of GDP, the Non-tax Revenue component constitutes 1.3 per cent. Non-debt Capital Receipts have been budgeted in BE 2018-19 to be ₹ 92199 crore compared to the RE 2017-18 figure of ₹ 117473 crore. The main contributor to this kitty is from disinvestment receipts, which has been anticipated to be ₹ 80000 crore in BE 2018-19. Net borrowings and other liabilities are expected to be ₹ 624276 crore to finance the fiscal deficit, a majority of which would be mainly financed through market borrowings.

Subsidy Reforms:

Outgo on major subsidies is budgeted at 1.4 per cent of GDP in BE 2018-19. Rationalization of major subsidies is important from the viewpoint of fiscal consolidation. The effort of Government would be to address this issue with a two pronged strategy. Government is committed to progressively pursuing subsidy reforms in a manner that will ensure efficient targeting of subsidies to the poor and needy, while also saving scarce financial resources for investment in infrastructure and pursuit of new development programmed announced by the Government. With the aim of reforming Government delivery system by reengineering the existing process in welfare schemes for simpler and faster flow of information/funds and to ensure accurate targeting of the beneficiaries, deduplication and reduction of fraud, Direct

Benefit Transfer (DBT) was started on 1st January, 2013. 41. Jharkhand has become the first State in the country to implement DBTK in all the districts of the State. The States of Karnataka, Haryana, Telangana, Nagaland, Bihar, Gujarat and Goa have responded favorably by undertaking voluntary cut in their PDS SKO allocation. Further, the UTs of Delhi, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry have become Kerosene Free and all the remaining UTs are also likely to become Kerosene free shortly. The State(s) of Haryana, Punjab and Andhra Pradesh have also become Kerosene Free. 42. Pilot run of DBT in fertilizer was completed by 31st March, 2017 in 14 districts and in newly added 3 districts in Aug 2017. Currently PAN India roll-out is under process. When PAN India roll out of DBT in fertilizers happens, the subsidies will be paid within a week of sales being registered in the PoS machines. 43. All States/UTs have adopted National Food Security Act (NFSA), 2013 and implementation of NFSA became universal from 1st November 2016. Out of the target of 81.34 crore persons, 80.72 crore has been covered as on date under NFSA and the remaining is also expected to be covered within the current Financial Year. As part of efforts to modernize and to introduce the best practices & transparency in the Targeted Public Distribution System (TPDS), the scheme on End-to-end Computerization of TPDS Operations is being implemented. 2.84 lakh Fair Price Shops (FPSs) out of total 5.27 lakh FPS have been provided with ePoS devices in 23 States/UTs. At the National level 81.63 per cent ration cards have been seeded with Aadhar numbers.

(Source: <https://www.indiabudget.gov.in/ub2018-19/frbm/frbm3.pdf>)

SUMMARY OF BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Prospectus, including the information contained in the section titled “Risk Factors” on page no. 9 of the Draft Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Accounting Standard set forth in the Draft Prospectus.

COMPANY BACKGROUND

Our Company was incorporated as “Shubham Polyspin Private Limited” at Ahmedabad on March 12, 2012, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Shubham Polyspin Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated July 24, 2018 was issued by the Registrar of Companies, (RoC) Ahmedabad.

One of our Promoter-Director Mr. Anil Somani started a company called Shubham Tex-O-Pack Private Limited which is engaged in HDPE/PP woven polybags. In the year 2010, Mr. Ankit Somani son of Mr. Anil Somani, joined the business of his father to gain the experience and understand the intricacy of said industry. After gaining an experience of 3 years in production, planning and sales, it was decided to diversify the products and enter into a more futuristic product having applications in various upcoming and existing industries. Mr. Ankit Somani promoter director of our company inspired from his father decided to start a new business which can be run on autonomous mode.

In the year 2012, Our Promoter Directors attended the Plast India event at Delhi and met Mr. Rajkumar Lohia (Chairman of Lohia Corp Limited), a company which is renowned worldwide (source: <http://www.lohiagroup.com/contact>) in making plastic packaging machineries. During the discussion with Mr. Lohia about the new and upcoming product in the industry and scope of the product in the next 5 years, he suggested our promoters to choose Multifilament yarn as a new product. Moreover, Lohia technical team also helped us to understand the product, machines and consumer industry of the Multifilament yarn. Multifilament yarn is the main component to be used in stitching of woven bags, manufacturing of geotextiles and filter fabrics as well as webbings. Multifilament Yarns enabled the bag manufacturer to switch to auto bag making machines which further reduces labour dependency and achieve defect free and time bound production.

After studying and understanding the technical viability of the Polypropylene (PP) multifilament yarn industry, our promoter director decided to commence the manufacturing unit of PP multifilament yarn. In the year 2013, our promoters zeroed on Spin Draw Wind Line Machinery from Lohia Corp having monthly capacity of 50 MT. Spin-Draw-Wind Lines for polypropylene multifilament yarn offer compact and flexible solutions for varied applications. The machine is capable of producing medium to high tenacity air intermingled yarns for sewing threads, webbings & slings, braids & ropes and a variety of technical textiles. Moreover, we had taken premises admeasuring approx 4800 Square feet area at Block no. 95/3, Shed No. C2 & C3, Trimul Industrial Estate, Vadsar Village, Gandhinagar, on rental basis. Further we had arranged project term loan sanctioned from Bank for purchasing and installing Spin Draw Wind Line Machine.

After the installation of our first machine, our products were well received in market and demand was increasing day by day due to modernization of Woven Bag Production process. To cater the increasing demand of our products we planned to add one more plant in the month of May, 2014 of similar capacity of 50 MT/ per month thus aggregating to 100 MT/ per month.

Initially the promoters had made a strategic decision of selling 100% of our products in the state of Gujarat. However later backed with increased production capacity and an experienced marketing team, we expanded our sales to nearby states like Rajasthan, Madhya Pradesh & Maharashtra and also ventured in Export Markets. In a period of few years, we penetrated deeply in these markets and expanded to a huge customer base.

With deep penetration in local markets and looking forward to increase our export markets our Promoter envisioned to set up an ultra modern production facility. For this production facility land was acquired at Village Borisana (Taluka-Kadi) in May 2015 admeasuring area of 5009 sq. mtrs. The land purchased was later developed by constructing a Factory Shed admeasuring approximated 2800.00 sq.mtrs. along with Staff Quarters and Administrative Building. The promoters further decided to add 2 more Spin Draw Line Machines from Lohia Corp Ltd, hence increasing the total capacity of the company to 200 MT per month. Further old plants from rented premises were shifted to the new production site and all the 4 plants were fully operational by August 2016. We also manufacture on Job Work basis and get our products manufactured on Job Work basis.

With a monthly production capacity of 200 MT, the promoters also focused to penetrate in countries like Belgium, Uganda, Zimbabwe, Africa, Poland, Italy, Turkey, Katar, Srilanka, Bangladesh, Tanzania, Nigeria, Madagascar and Kenya.

The products of the company were well received in export markets and recently the company purchased 5th machine having installed capacity of 50 MT/per month. The said machine was fully operational from July, 2018 and currently the total combined capacity of the company is 250 MT/per month.

OUR PRODUCTS

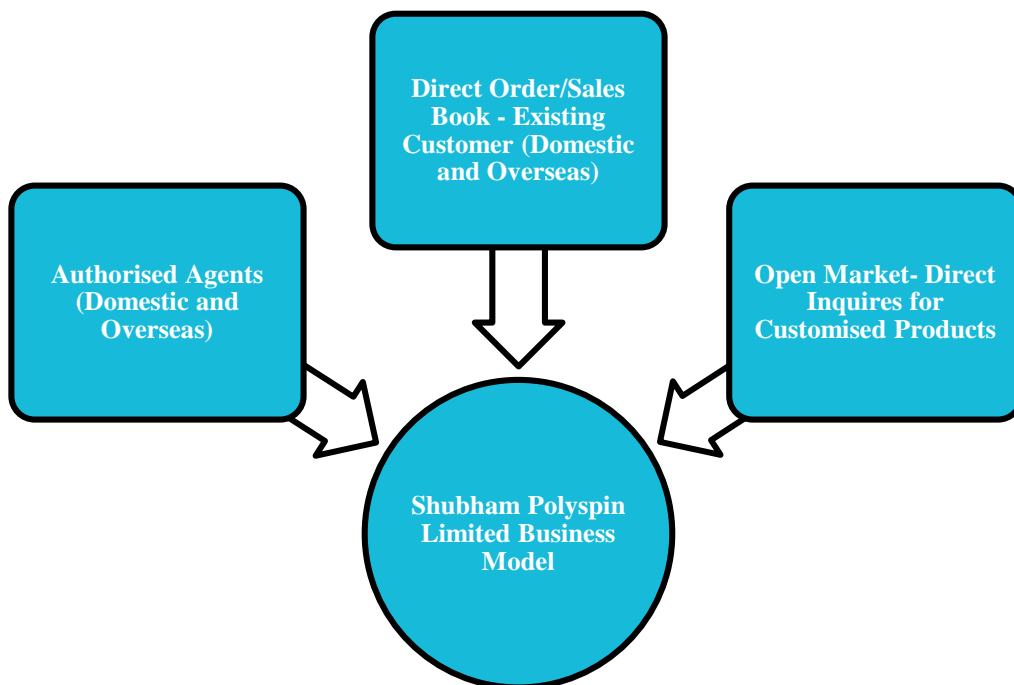
Polypropylene multifilament yarn (twisted and air intermingled yarn)
Shubhlon bag closing threads
PP webbings & narrow woven fabrics

All the products of the company are marketed under the Trade Name **SHUBLON™**

OUR BUSINESS MODEL

With our unsurpassed quality of yarns and excellent client relations, we have created our name globally. We have received a brand acceptance within India and abroad through our exports. Majority of our sales are absorbed by our existing customers both domestic as well as global. Moreover our marketing strategy involves around developing new clients by approaching them through various online e commerce websites.

We sell our products directly to the end users in India and directly and through merchandise in Overseas. Further we also get the regular inquires from the open market manufacturer of various products namely fertilizer, chemical, FIBC Bags, Narrow Woven Belts, etc. We also receive direct inquiries from customers for customized products.



SUMMARY OF OUR FINANCIAL INFORMATION

SHUBHAM POLYSPIN LIMITED
(Formerly known as Shubham Polyspin Private Limited)

Annexure – 1

(₹ in Lakh)

Restated Statement of Balance Sheet

| Particulars | | As at March 31 | | | | |
|-------------|---|----------------|---------------|-----------------|-----------------|-----------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 |
| I. | EQUITY AND LIABILITIES | | | | | |
| 1 | Shareholders' funds | | | | | |
| | (a) Share capital | 201.00 | 201.00 | 301.00 | 401.00 | 401.00 |
| | (b) Reserves and surplus | 1.39 | 21.62 | 46.23 | 67.55 | 215.45 |
| 2 | Share Application Money Pending Allotments | - | - | - | - | - |
| 3 | Non-current liabilities | | | | | |
| | (a) Long-term borrowings | 276.15 | 280.97 | 497.90 | 551.20 | 476.48 |
| | (b) Deferred tax liabilities (Net) | 0.82 | 10.35 | 22.35 | 34.40 | 63.04 |
| | (c) Long-term Provisions | - | - | - | - | - |
| | (d) Other Long-term Liabilities | - | - | - | - | - |
| 4 | Current liabilities | | | | | |
| | (a) Short-term borrowings | 198.04 | 170.96 | 323.33 | 592.23 | 309.49 |
| | (b) Trade payables | 11.27 | 29.88 | 134.28 | 201.48 | 145.97 |
| | (c) Other current liabilities | 66.15 | 62.36 | 107.26 | 156.06 | 146.02 |
| | (d) Short-term provisions | 3.69 | 12.73 | 14.71 | 25.53 | 26.23 |
| | TOTAL | 758.51 | 789.88 | 1,447.05 | 2,029.45 | 1,783.67 |
| II. | ASSETS | | | | | |
| 1 | Non-current assets | | | | | |
| | (a) Fixed assets | | | | | |
| | (i) Tangible assets | 372.35 | 425.84 | 426.73 | 1,158.89 | 1,143.12 |
| | (ii) Intangible Assets | 0.33 | 0.33 | 0.33 | 0.69 | 0.69 |
| | (iii) Intangible Assets under development | - | - | - | - | - |
| | (iv) Capital Work in Progress | 17.53 | - | 382.07 | - | 13.52 |
| | Less: Accumulated Depreciation | 17.35 | 54.22 | 94.38 | 162.85 | 249.97 |
| | Net Block | 372.86 | 371.95 | 714.75 | 996.74 | 907.37 |
| | (b) Non-Current Investments | - | - | - | - | - |
| | (c) Long-term loans and advances | 13.53 | 13.53 | 16.35 | 23.69 | 23.69 |
| | (d) Other Non-Current Assets | 0.29 | 0.19 | 0.10 | 35.55 | 33.01 |
| | (e) Deferred Tax Assets | - | - | - | - | - |
| 2 | Current assets | | | | | |
| | (a) Inventories | 38.44 | 20.28 | 79.69 | 54.28 | 123.01 |
| | (b) Trade receivables | 190.78 | 282.41 | 388.19 | 501.54 | 374.55 |
| | (c) Cash and cash equivalents | 4.21 | 23.21 | 23.67 | 21.81 | 25.94 |
| | (d) Short-term loans and advances | 137.48 | 77.04 | 220.03 | 393.13 | 293.43 |
| | (e) Other Current Assets | 0.92 | 1.26 | 4.26 | 2.71 | 2.66 |
| | TOTAL | 758.51 | 789.88 | 1,447.05 | 2,029.45 | 1,783.67 |

Accounting Policies & Notes on Accounts
As per our Report on Even date attached

For, Jain P.C. & Associates
Chartered Accountants
Firm Registration Number: 126313W

Date: August 8, 2018
Place: Ahmedabad

Karan R Ranka
Partner
Membership Number: 136171

SHUBHAM POLYSPIN LIMITED
(Formerly known as Shubham Polyspin Private Limited)

Annexure – 2

Restated Statement of Profit and Loss Accounts

(₹ in Lakh)

| Particulars | | For the Financial Year ended on March 31, | | | | |
|-------------|---|---|-----------------|-----------------|-----------------|-----------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 |
| I. | Revenue from operations | 614.68 | 1,327.86 | 1,537.59 | 1,751.39 | 2,688.81 |
| II. | Other income | 11.45 | 26.71 | 2.86 | 19.80 | 138.19 |
| III. | Total Revenue (I + II) | 626.13 | 1,354.57 | 1,540.45 | 1,771.19 | 2,827.00 |
| IV. | Expenses: | | | | | |
| | Cost of Material Consumed | 443.03 | 1,002.94 | 1,106.39 | 1,274.73 | 1,982.61 |
| | Purchases of Stock-In-Trade | - | - | - | - | - |
| | Changes in inventories of Stock-in-Trade | 0.33 | 2.82 | (6.80) | 2.12 | (6.15) |
| | Employee benefits expense | 19.89 | 33.75 | 42.76 | 53.95 | 104.21 |
| | Finance costs | 41.43 | 75.06 | 75.43 | 97.52 | 127.01 |
| | Depreciation and amortization expense | 13.42 | 39.77 | 40.16 | 70.29 | 87.12 |
| | Other expenses | 105.02 | 170.24 | 245.69 | 238.95 | 355.41 |
| | Total expenses | 623.12 | 1,324.58 | 1,503.64 | 1,737.56 | 2,650.21 |
| V. | Profit before exceptional items and tax (III-IV) | 3.00 | 29.99 | 36.81 | 33.63 | 176.79 |
| VI | Exceptional Items | - | - | - | - | - |
| VII | Profit before tax (V-VI) | 3.00 | 29.99 | 36.81 | 33.63 | 176.79 |
| VIII | Tax expense: | | | | | |
| | (1) Current tax | 0.57 | 5.71 | 7.01 | 6.41 | 33.69 |
| | (3) Deferred tax | 0.82 | 9.53 | 12.00 | 12.05 | 28.64 |
| | (4) Less : MAT Credit Entitlement | 0.57 | 5.71 | 7.01 | 6.41 | 33.69 |
| IX | Profit (Loss) for the period (VII-VIII) | 2.18 | 20.47 | 24.81 | 21.58 | 148.15 |

Accounting Policies & Notes on Accounts

As per our Report on Even date attached

For, Jain P.C. & Associates
Chartered Accountants
Firm Registration Number: 126313W

Date: August 8, 2018

Place: Ahmedabad

Karan R Ranka
Partner
Membership Number: 136171

SHUBHAM POLYSPIN LIMITED
(Formerly known as Shubham Polyspin Private Limited)

Annexure – 3
(₹ in Lakh)

Restated Statement of Cash Flows

| Particulars | For the Financial Year ended on March 31, | | | | |
|--|---|----------|----------|------------|----------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Cash flow from Operating Activities | | | | | |
| Net Profit Before tax as per Statement of Profit & Loss | 3.00 | 29.99 | 36.81 | 33.63 | 176.79 |
| Adjustments for : | | | | | |
| Depreciation & Amortization Exp. | 13.42 | 39.77 | 40.16 | 70.29 | 87.12 |
| Interest Expenses | 41.43 | 75.06 | 83.78 | 103.50 | 79.67 |
| Preliminary Expenditure W/off during the Year | 0.10 | 0.10 | 0.10 | 2.64 | 2.54 |
| Income tax W/off during the Year | - | (0.23) | (0.20) | (0.26) | (0.26) |
| Profit on Sale of Fixed Assets | - | - | - | - | - |
| Loss on Sale of Fixed Assets | - | 54.95 | 1.79 | 116.48 | - |
| | | | | 123.84 | 0.78 |
| | | | | 176.94 | 169.08 |
| Operating Profit before working capital changes | 57.95 | 146.47 | 160.64 | 210.57 | 345.87 |
| Changes in Working Capital | | | | | |
| Trade receivable | (107.30) | (91.62) | (105.79) | (113.35) | 126.99 |
| Other Loans and advances receivable | (108.81) | 60.45 | (142.99) | (173.10) | 99.70 |
| Inventories | (7.40) | 18.15 | (59.41) | 25.41 | (68.74) |
| Other Non-Current Assets | - | - | - | (38.19) | - |
| Other Current Assets | (0.71) | (0.34) | (3.01) | 1.65 | 0.05 |
| Trade Payables | (32.94) | 18.61 | 104.40 | 67.19 | (55.50) |
| Other Current Liabilities | 32.88 | (3.79) | 44.90 | 48.80 | (10.04) |
| Current Borrowing | 5.00 | - | 152.38 | 268.89 | (282.74) |
| Short term Provisions | 0.86 | 9.04 | 1.97 | 10.83 | 0.70 |
| | | (218.43) | 10.50 | (7.54) | 98.14 |
| | | (160.48) | 156.97 | 153.10 | 308.71 |
| Net Cash Flow from Operation | (160.48) | 156.97 | 153.10 | 308.71 | 156.28 |
| Less : Income Tax paid | - | - | - | - | - |
| Net Cash Flow from Operating Activities (A) | (160.48) | 156.97 | 153.10 | 308.71 | 156.28 |
| Cash flow from investing Activities | | | | | |
| Purchase of Fixed Assets | (177.70) | (193.83) | (382.96) | (1,080.35) | (25.86) |
| Sale of Fixed Assets | 19.46 | 153.17 | - | 727.30 | 28.11 |
| Other Non-Current Assets (Net) | - | - | - | - | - |
| Movement in Loans & Advances | 32.49 | - | (2.82) | (7.34) | - |
| Purchase/Sale of Investment | - | - | - | - | - |
| Interest Income | - | - | - | - | - |

| | | | | | | | | | | |
|--|---------|-------------|---------|--------------|---------|--------------|----------|---------------|---------|--------------|
| | | (125.75) | | (40.66) | | (385.78) | | (360.39) | | 2.25 |
| Net Cash Flow from Investing Activities (B) | | (125.75) | | (40.66) | | (385.78) | | (360.39) | | 2.25 |
| Cash Flow From Financing Activities | | | | | | | | | | |
| Proceeds From long Term Borrowing (Net) | 132.70 | | 4.82 | | 216.92 | | 53.30 | | (74.72) | |
| Short Term Borrowing (Net) | 102.80 | | (27.08) | | - | | - | | - | |
| Share Capital issued | 100.00 | | - | | 100.00 | | 100.00 | | | |
| Share Application Money Received | (4.30) | | - | | | | - | | | |
| Interest Paid | (41.43) | | (75.06) | | (83.78) | | (103.50) | | (79.67) | |
| Dividend paid (Including DDT) | | 289.77 | | (97.32) | - | 233.15 | - | 49.81 | - | (154.39) |
| Net Cash Flow from Financing Activities (C) | | 289.77 | | (97.32) | | 233.15 | | 49.81 | | (212.19) |
| Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C) | | 3.54 | | 19.00 | | 0.46 | | (1.87) | | 4.14 |
| Opening Cash & Cash Equivalents | | 0.68 | | 4.21 | | 23.21 | | 23.67 | | 21.81 |
| Cash and cash equivalents at the end of the period | | 4.21 | | 23.21 | | 23.67 | | 21.81 | | 25.94 |
| Cash And Cash Equivalents Comprise : | | | | | | | | | | |
| Cash | | 3.96 | | 11.66 | | 3.86 | | 0.32 | | 7.75 |
| Bank Balance : | | | | | | | | | | |
| Current Account | | 0.25 | | 0.38 | | 0.29 | | 8.20 | | 0.44 |
| Deposit Account | | - | | 11.17 | | 19.53 | | 13.28 | | 17.75 |
| Total | | 4.21 | | 23.21 | | 23.67 | | 21.81 | | 25.94 |

Accounting Policies & Notes on Accounts
As per our Report on Even date attached

For, Jain P.C. & Associates
Chartered Accountants
Firm Registration Number: 126313W

Date: August 8, 2018
Place: Ahmedabad

Karan R Ranka
Partner
Membership Number: 136171

THE ISSUE

Present Issue in terms of this Draft Prospectus:

| Particulars | Details |
|--|--|
| Equity Shares offered | 1500000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 40/- each aggregating to ₹ 600.00 Lakh |
| Of which: | |
| Reserved for Market Makers | 78000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 40/- each aggregating to ₹ 31.20 Lakh |
| Net Issue to the Public* | 1422000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 40/- each aggregating to ₹ 568.80 Lakh |
| Of which | |
| Retail Portion | 711000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 40/- each aggregating to ₹ 284.40 Lakh |
| Non Retail Portion | 711000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 40/- each aggregating to ₹ 284.40 Lakh |
| Equity Shares outstanding prior to the Issue | 4010000 Equity Shares of ₹ 10/- each |
| Equity Shares outstanding after the Issue | 5510000 Equity Shares of ₹ 10/- each |
| Use of Proceeds | For further details please refer chapter titled “Objects of the Issue” beginning on page no. 55 of this Draft Prospectus for information on use of Issue Proceeds. |

* Since present issue is a fixed price issue, the allocation in the net offer to the public category shall be made as per the Regulation 43(4) of the SEBI (ICDR) Regulations, 2009 as amended, which is as follows:

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

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

Notes

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details of issue, please refer to section titled “Issue Structure” beginning on page no. 192 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 25, 2018, and by the shareholders of our Company, pursuant to section 62(1)(C) of the Companies Act, 2013, vide a special resolution passed at the AGM held on August 4, 2018.

GENERAL INFORMATION

Our Company was incorporated as “Shubham Polyspin Private Limited” at Ahmedabad on March 12, 2012, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Shubham Polyspin Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated July 24, 2018 was issued by the Registrar of Companies, (RoC) Ahmedabad.

For details of change in name and registered office of our Company, please refer to section titled “History and Certain Corporate Matters” beginning on page no. 96 of this Draft Prospectus.

BRIEF INFORMATION ON COMPANY AND ISSUE

| Particulars | Details | | | | | | | | | | |
|--|--|-----------|--------------|-----|--------------|-----|-----|--|-----|--|-----|
| Registered Office | Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Jetpura- Basantpura Road, Village Borisana Taluka Kadi Mahesana – 382 728, Gujarat, India Contact Person: Mr. Ankit Somani; Telephone No.: +917043124999, +917043125999 E-Mail: compliance@shubhamgrp.co; Web site: sppl.shubhamgrp.co | | | | | | | | | | |
| Date of Incorporation | March 12, 2012 | | | | | | | | | | |
| Company Identification Number | U17120GJ2012PLC069319 | | | | | | | | | | |
| Company Category | Company limited by Shares | | | | | | | | | | |
| Registrar of Company | Gujarat, Dadra and Nagar Haveli | | | | | | | | | | |
| Address of the RoC | ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013 Tel No.: +91 79 – 2743 7597; Fax No.: +91 79 – 2743 8371 E Mail: roc.ahmedabad@mca.gov.in | | | | | | | | | | |
| Company Secretary and Compliance Officer | [●] C/o. Shubham Polyspin Limited Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Jetpura- Basantpura Road, Village Borisana, Taluka Kadi, Mahesana – 382 728, Gujarat, India Telephone No.: +91 70431 24999, +91 70431 25999 E-Mail: compliance@shubhamgrp.co; Web site: sppl.shubhamgrp.co | | | | | | | | | | |
| Designated Stock Exchange | BSE Limited (SME Platform) Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra | | | | | | | | | | |
| Issue Programme | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #00AEEF; color: white;">Issue On:</th> <th style="background-color: #00AEEF; color: white;">Opens</th> <th style="background-color: #00AEEF; color: white;">[●]</th> <th style="background-color: #00AEEF; color: white;">Issue Closes</th> <th style="background-color: #00AEEF; color: white;">[●]</th> </tr> </thead> <tbody> <tr> <td style="background-color: #00AEEF; color: white;">On:</td> <td></td> <td style="text-align: center;">[●]</td> <td></td> <td style="text-align: center;">[●]</td> </tr> </tbody> </table> | Issue On: | Opens | [●] | Issue Closes | [●] | On: | | [●] | | [●] |
| Issue On: | Opens | [●] | Issue Closes | [●] | | | | | | | |
| On: | | [●] | | [●] | | | | | | | |

Note: Investors can contact the Company Secretary and Compliance officer in case of any pre issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depository’s beneficiary account or dispatch of refund order etc.

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

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

BOARD OF DIRECTORS OF OUR COMPANY

Presently our Board of Directors comprises of following Directors.

| Sr. No. | Name of Directors | Designation | DIN |
|---------|----------------------------|------------------------------------|----------|
| 1. | Mr. Anil Devkishan Somani | Chairman and Managing Director | 06373210 |
| 2. | Mr. Ankit Anil Somani | Managing Director | 05211800 |
| 3. | Mr. Akshay Anilbhai Somani | Non-Executive Director and CFO | 05244214 |
| 4. | Ms. Radhika Anand Chandak | Non-Executive Independent Director | 07904592 |

| Sr. No. | Name of Directors | Designation | DIN |
|---------|-----------------------------|------------------------------------|----------|
| 5. | Mr. Kush Prafulbhai Kalaria | Non-Executive Independent Director | 08086553 |
| 6. | Dr. Urva Pragnesh Patel | Non-Executive Independent Director | 08193058 |

For further details pertaining to the education qualification and experience of our Directors, please refer the chapter titled “Our Management” beginning on page no. 100 of this Draft Prospectus.

DETAILS OF KEY MARKET INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|--|---|
| BEELINE BROKING LIMITED SEBI Registration Number: INM000012546 Address: Office No. 1 to 3, Vishwa Complex, First Floor, Opp. Jain Derasar, Navrangpura Ahmedabad – 380 009 Telephone Number: +91 79 6666 4007 Email Id: mb@beelinebroking.com Investors Grievance Id: ig@beelinebroking.com Website: www.beelinebroking.com Contact Person: Mr. Vanesh Panchal CIN: U51900GJ2014PLC080598 | LINK INTIME INDIA PRIVATE LIMITED SEBI Registration Number: INR000004058 Address: C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra Tel. No.: +91 22 4918 6200; Fax No.: +91 22 4918 6195 Email Id: shubham.ipo@linkintime.co.in Investors Grievance Id: shubham.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Goapalkrishnan CIN: U67190MH1999PTC118368 |
| BANKERS TO THE COMPANY | LEGAL ADVISOR TO THE COMPANY |
| Yes Bank Limited Address: 102/103, C.G. Road, Ahmedabad – 380 009 Tel No.: +91 98250 00842; Fax No.: +91 79 6631 8430 Email: punit.bhambhani@yesbank.in Website: www.yesbank.in Contact Person: Mr. Nunit Bhambhani Designation: Manager | Ms. Niralee Y Dalal Address: 6, Mandar Bunglows, Opp. Ajanta Apprtments, B/h. Tulip Bunglows, Thaltej, Ahmedabad – 380 054 Email: dalalniralee@gmail.com Mobile Number: +91 81540 22722 Contact Person: Ms. Niralee Y Dalal Bar Council Number: G/747/2013 |
| STATUTORY AUDITOR OF THE COMPANY | PEER REVIEW AUDITOR* |
| M/s. Jain P. C. & Associates Address: B-802, Safal Pegasus, 100 FT, Anandnagar Road, Opp. Venus Atlantis, Prahladnagar, Ahmedabad – 380 015. Tel No.:- +91 79-40072102 Mobile No.:- +91 98983 72222 / 98250 96571 Email:- karan@jainpc.com Contact Person:- Mr. Karan Ranka Firm Registration Number: 126313W Membership Number: 136171 | M/s. Jain P. C. & Associates Address: B-802, Safal Pegasus, 100 FT, Anandnagar Road, Opp. Venus Atlantis, Prahladnagar, Ahmedabad – 380 015. Tel No.:- +91 79-40072102 Mobile No.:- +91 98983 72222 / 98250 96571 Email:- karan@jainpc.com Contact Person:- Mr. Karan Ranka Firm Registration Number: 126313W Membership Number: 136171 |
| BANKERS TO THE ISSUE AND REFUND BANKER | |
| ● | |

* Holds valid Peer Review Certificate Number 010571 dated November 4, 2017 issued by Peer Review Board of the Institute of Chartered Accountants of India.

SELF-CERTIFIED SYNDICATE BANKS

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

BROKERS TO THE ISSUE

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

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Beeline Broking Limited is the Lead Manager to the issue, all the responsibility of the issue will be managed by them.

CREDIT RATING

As this is an issue of Equity Shares, there is no credit rating for this Issue.

IPO GRADING

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

TRUSTEES

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

APPRAISAL AND MONITORING AGENCY

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakh. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds.

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

UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement has been entered on August 9, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Details of the Underwriter | No. of shares underwritten | Amount Underwritten (₹ in Lakh) | % of the total Issue Size Underwritten |
|--|----------------------------|---------------------------------|--|
| BEELINE BROKING LIMITED SEBI Registration Number: INM000012546 Address: Office No. 1 to 3, Vishwa Complex, First Floor, Opp. Jain Derasar, Navrangpura Ahmedabad – 380 009 Tel Number: +91 79 6666 4007 Email Id: mb@beelinebroking.com Investors Grievance Id: ig@beelinebroking.com Website: www.beelinebroking.com Contact Person: Mr. Vanesh Panchal CIN: U51900GJ2014PLC080598 | 1500000 | 600.00 | 100.00% |

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager have entered into an agreement dated August 9, 2018 with the following Market Maker to fulfil the obligations of Market Making:

BEELINE BROKING LIMITED

CIN: U51900GJ2014PLC080598; **SEBI Registration No.:** INZ000000638

Address: Office No. 1 To 3, Vishwa Complex, First Floor, Opp. Jain Derasar, Navrangpura, Ahmedabad – 380 009

Contact Person: Mr. Vanesh Panchal; **Tel Number:** +91 – 079 – 6666 4007; **Website:** www.beelinebroking.com

E-mail: mb@beelinebroking.com; **Investor Grievance Id:** ig@beelinebroking.com;

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

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the 78000 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 78000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
- 5) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 8) The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during

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

- 11) Risk containment measures and monitoring for Market Makers: SME Platform of BSE Limited will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 12) Punitive Action in case of default by Market Makers: SME Platform of BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

- 13) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

- 14) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / BSE Limited from time to time.

CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the issue and after giving effect to the issue, as on the date of filing of this Draft Prospectus, is set forth below:

(₹ in Lakh except per share amount)

| Sr. No. | Particulars | Aggregate value at face value | Aggregate value at issue price |
|---------|--|-------------------------------|--------------------------------|
| 1. | Authorized Share Capital 6010000 Equity Shares of face value of ₹10/- each | 601.00 | - |
| 2. | Issued, subscribed and paid-up Equity Share Capital before the Issue 4010000 Equity Shares of face value of ₹ 10/- each | 401.00 | - |
| 3. | Present issue in terms of this Draft Prospectus Issue of 1500000 Equity Shares of ₹ 10/- each at a price of ₹ 40/- per Equity Share. Which comprises | 150.00 | 600.00 |
| | 78,000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 40/- per Equity Share reserved as Market Maker Portion | 7.80 | 31.20 |
| | Net Issue to Public of 1422000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 40/- per Equity Share to the Public | 142.20 | 568.80 |
| | Net Issue to Public consists of | | |
| | 711000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 40/- per Equity Share will be available for allocation for Investors investing amount up to ₹ 2.00 Lakh | 71.10 | 284.40 |
| | 711000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 40/- per Equity Share will be available for allocation for Investors investing amount above ₹ 2.00 Lakh | 71.10 | 284.40 |
| 4. | Paid up Equity capital after the Issue 5510000 Equity Shares of ₹ 10 each | 551.00 | - |
| 5. | Securities Premium Account | | |
| | Before the Issue | -- | |
| | After the Issue | 450.00 | |

Note:

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 25, 2018, and by the shareholders of our Company vide a special resolution passed at the AGM held on August 4, 2018.

CLASS OF SHARES

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respect. All Equity Shares issued are fully paid-up as on date of this Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of this Draft Prospectus.

NOTES TO THE CAPITAL STRUCTURE:

1. Changes in the Authorized Share Capital of our Company:

Since Incorporation of our Company, the authorized share capital of our Company has been changes in the manner set forth below:

| Sr. No. | Particulars of Increase | Cumulative no. of Equity Shares | Cumulative no. of Ordinary Equity Shares~ | Cumulative no. of Class A Equity Shares* | Cumulative no. of Class B Equity Shares^ | Cumulative Authorized Share Capital (₹ in Lakh) | Date of Meeting | Whether AGM/ EoGM |
|---------|-------------------------|---------------------------------|---|--|--|---|-----------------|-------------------|
| 1. | On incorporation | 50000 | - | - | - | 5.00 | N.A. | N.A. |

| Sr. No. | Particulars of Increase | Cumulative no. of Equity Shares | Cumulative no. of Ordinary Equity Shares~ | Cumulative no. of Class A Equity Shares* | Cumulative no. of Class B Equity Shares^ | Cumulative Authorized Share Capital (₹ in Lakh) | Date of Meeting | Whether AGM/ EoGM |
|---------|--|---------------------------------|---|--|--|---|-------------------|-------------------|
| 2. | Increased and reclassified in authorized capital from ₹ 5.00 Lakh to ₹ 101.00 Lakh | - | 10000 | 200000 | 800000 | 101.00 | March 31, 2013 | EoGM |
| 3. | Increased in authorized capital from ₹ 101.00 Lakh to ₹ 201.00 Lakh | - | 10000 | 600000 | 1400000 | 201.00 | February 11, 2014 | EoGM |
| 4. | Increased in authorized capital from ₹ 201.00 Lakh to ₹ 401.00 Lakh | - | 2010000 | 600000 | 1400000 | 401.00 | May 11, 2015 | EoGM |
| 5. | Renaming different Class of Equity Shares | 4010000 | - | - | - | 401.00 | May 25, 2018 | EoGM |
| 6. | Increased in authorized capital from ₹ 401.00 Lakh to ₹ 601.00 Lakh | 6010000 | - | - | - | 601.00 | August 4, 2018 | AGM |

~ Ordinary Equity Shares - On a Show of hands every members holding Ordinary Equity Shares present in person shall have one vote. On a poll, every such member present in person or by proxy shall have one votes for each Ordinary Equity Shares held by him.

* Class A Equity Shares – On a Show of hands every members holding Class A Equity Shares present in person shall have one vote. On a poll every such member present in person or by proxy shall have one hundred votes for each Class A Equity Share held by him.

^ Class B Equity Shares – On a Show of hands every members holding Class B Equity Shares present in person shall have one vote. On a poll every such member present in person or by proxy shall have one vote for every one hundred Class B Equity Shares held by him.

2. History of Paid-up Share Capital:

Our existing Paid-up Share Capital has been subscribed and allotted in the manner set forth below:

| Date of allotment | Number of equity shares Allotted | Face value (In ₹) | Issue price (In ₹) | Nature of consideration (Cash, other than Cash, Bonus) | Nature of allotment/ Transaction | Cumulative Number of Equity Shares | Cumulative Paid up share Capital (In ₹) | Cumulative Share Premium (In ₹) |
|------------------------------------|----------------------------------|-------------------|--------------------|--|--|------------------------------------|---|---------------------------------|
| March 12, 2012 (On Incorporation)~ | 10000 | 10 | 10 | Cash | Subscription to Memorandum of Association ⁽¹⁾ | 10000 | 1,00,000 | - |
| March 31, 2013* | 200000 | 10 | 10 | Cash | Further Allotment ⁽²⁾ | 210000 | 21,00,000 | - |
| March 31, 2013^ | 800000 | 10 | 10 | Cash | Further Allotment ⁽³⁾ | 1010000 | 1,01,00,000 | - |

| Date of allotment | Number of equity shares Allotted | Face value (In ₹) | Issue price (In ₹) | Nature of consideration (Cash, other than Cash, Bonus) | Nature of allotment/ Transaction | Cumulative Number of Equity Shares | Cumulative Paid up share Capital (In ₹) | Cumulative Share Premium (In ₹) |
|-------------------|----------------------------------|-------------------|--------------------|--|----------------------------------|------------------------------------|---|---------------------------------|
| March 21, 2014* | 400000 | 10 | 10 | Cash | Further Allotment ⁽⁴⁾ | 1410000 | 1,41,00,000 | - |
| March 21, 2014^ | 600000 | 10 | 10 | Cash | Further Allotment ⁽⁵⁾ | 2010000 | 2,01,00,000 | - |
| January 29, 2016~ | 1000000 | 10 | 10 | Cash | Right Issue ⁽⁶⁾ | 3010000 | 3,01,00,000 | - |
| August 5, 2016~ | 1000000 | 10 | 10 | Cash | Right Issue ⁽⁷⁾ | 4010000 | 4,01,00,000 | - |

~ Ordinary Equity Shares - On a Show of hands every members holding Ordinary Equity Shares present in person shall have one vote. On a poll, every such member present in person or by proxy shall have one votes for each Ordinary Equity Shares held by him.

* Class A Equity Shares – On a Show of hands every members holding Class A Equity Shares present in person shall have one vote. On a poll, every such member present in person or by proxy shall have one hundred votes for each Class A Equity Share held by him.

^ Class B Equity Shares – On a Show of hands every members holding Class B Equity Shares present in person shall have one vote. On a poll, every such member present in person or by proxy shall have one vote for every one hundred Class B Equity Shares held by him.

⁽¹⁾ The details of allotment of Ordinary Equity Shares made to the subscribers to the Memorandum of Associations are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|---------------------------------|-------------------------------|-----------------------------|------------------------------|
| 1. | Mr. Ankit Anil Somani | 5000 | 10 | 10 |
| 2. | Mr. Janakkumar Natvarbhai Patel | 5000 | 10 | 10 |
| Total | | 10000 | 10 | 10 |

⁽²⁾ The details of further allotment of 200000 Fully Paid up Class A Equity Shares of ₹ 10/- each made on March 31, 2013, at par, are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|-------------------------|-------------------------------|-----------------------------|------------------------------|
| 1. | Mr. Ankit Anil Somani | 150000 | 10 | 10 |
| 2. | Ms. Preeti Nitin Somani | 50000 | 10 | 10 |
| Total | | 200000 | 10 | 10 |

⁽³⁾ The details of further allotment of 800000 Fully Paid up Class B Equity Shares of ₹ 10/- each made on March 31, 2013, at par, are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|-----------------------------------|-------------------------------|-----------------------------|------------------------------|
| 1. | Bluerose Sales Private Limited | 450000 | 10 | 10 |
| 2. | Circular Tie Up Private Limited | 150000 | 10 | 10 |
| 3. | Crystal Dealmark Private Limited* | 200000 | 10 | 10 |
| Total | | 800000 | 10 | 10 |

* As per revised Form 2 filed by the Company.

⁽⁴⁾ The details of further allotment of 400000 Fully Paid up Class A Equity Shares of ₹ 10/- each made on March 21, 2014, at par, are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---------|-------------------------|-------------------------------|-----------------------------|------------------------------|
| 1. | Mr. Ankit Anil Somani | 300000 | 10 | 10 |
| 2. | Ms. Preeti Nitin Somani | 100000 | 10 | 10 |

| | | | |
|--------------|---------------|-----------|-----------|
| Total | 400000 | 10 | 10 |
|--------------|---------------|-----------|-----------|

(5) The details of further allotment of 600000 Fully Paid up Class B Equity Shares of ₹ 10/- each made on March 21, 2014, at par, are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|--------------------------------|-------------------------------|-----------------------------|------------------------------|
| 1. | Lawa Marketing Private Limited | 600000 | 10 | 10 |
| Total | | 600000 | 10 | 10 |

(6) The details of Right Issue – allotment of 1000000 Fully Paid up Ordinary Equity Shares of ₹ 10/- each made on January 29, 2016, at par, are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|-------------------------|-------------------------------|-----------------------------|------------------------------|
| 1. | Mr. Ankit Anil Somani | 520000 | 10 | 10 |
| 2. | Ms. Preeti Nitin Somani | 100000 | 10 | 10 |
| 3. | Mr. Akshay Anil Somani | 330000 | 10 | 10 |
| 4. | Mrs. Pooja Ankit Somani | 50000 | 10 | 10 |
| Total | | 1000000 | 10 | 10 |

(7) The details of Right Issue – allotment of 1000000 Fully Paid up Ordinary Equity Shares of ₹ 10/- each made on August 5, 2016, at par, are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|---------------------------|-------------------------------|-----------------------------|------------------------------|
| 1. | Mr. Anil Devkishan Somani | 1000000 | 10 | 10 |
| Total | | 1000000 | 10 | 10 |

3. Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation.
4. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act, 2013.
5. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. Our Company has not issued any equity shares at price lower than the Issue Price during past one year from the date of this Draft Prospectus.

7. Share Capital Build-up of our Promoters, Promoters' Contribution & Lock-in:

A. Share Capital Build-up of our Promoters:

As on the date of this Draft Prospectus, our Promoters – Mr. Anil Devkishan Somani, Mr. Ankit Anil Somani and Mr. Akshay Anil Somani hold total 3807000 Equity Shares representing 94.94% of the pre-issue paid up share capital of our Company.

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. None of the Equity Shares held by our Promoters are subject to any pledge.

The build-up of equity shareholding of Mr. Anil Devkishan Somani, Promoter of our Company is as follows.

| Date of Allotment / Transfer | Nature of Issue Allotment / Transfer | Number of Equity shares | Cumulative No. of Equity Shares | Face Value (in ₹) per share | Issue/ Transfer Price (in ₹) per share | Total Consideration Paid (in ₹) | % of Pre Issue Capital | % of post issue Capital | Lock in Period |
|------------------------------|--------------------------------------|-------------------------|---------------------------------|-----------------------------|--|---------------------------------|------------------------|-------------------------|----------------|
| August 5, 2016 | Right Issue~ | 450000 | 450000 | 10 | 10 | 45,00,000 | 11.22 | 8.17 | 3 Years |
| | | 550000 | 1000000 | 10 | 10 | 55,00,000 | 13.72 | 9.98 | 1 Year |
| March 26, 2018 ¹ | Transfer [^] | 200000 | 1200000 | 10 | 10 | 20,00,000 | 4.99 | 3.63 | 1 Year |
| Total | | 1200000 | | | | | 29.93 | 21.78 | |

~ Ordinary Equity Shares, which were renamed as “Equity Shares”, ranking pari passu in all respect, by way of special resolution passed at Class Meeting held on May 25, 2018, for variation of class rights.

[^] Class B Equity Shares, which were renamed as “Equity Shares”, ranking pari passu in all respect, by way of special resolution passed at Class Meeting held on May 25, 2018 for variation of class rights.

¹ 200000 Equity Shares were acquired from Goodtime Commodities Private Limited.

The build-up of equity shareholding of Mr. Ankit Anil Somani, Promoter of our Company is as follows.

| Date of Allotment / Transfer | Nature of Issue Allotment / Transfer | Number of Equity shares | Cumulative No. of Equity Shares | Face Value (in ₹) per share | Issue/ Transfer Price (in ₹) per share | Total Consideration Paid (in ₹) | % of Pre Issue Capital | % of post issue Capital | Lock in Period |
|------------------------------|--|-------------------------|---------------------------------|-----------------------------|--|---------------------------------|------------------------|-------------------------|----------------|
| On Incorporation | Subscription to Memorandum of Association~ | 5000 | 5000 | 10 | 10 | 50,000 | 0.12 | 0.09 | 1 Year |
| March 31, 2013 | Further Allotment* | 150000 | 155000 | 10 | 10 | 15,00,000 | 3.74 | 2.72 | 1 Year |
| March 21, 2014 | Further Allotment* | 300000 | 455000 | 10 | 10 | 30,00,000 | 7.48 | 5.44 | 1 Year |
| January 29, 2016 | Right Issue~ | 330000 | 785000 | 10 | 10 | 33,00,000 | 8.23 | 5.99 | 3 Years |
| | | 190000 | 975000 | 10 | 10 | 19,00,000 | 4.74 | 3.45 | 1 Year |
| March 26, 2018 ¹ | Transfer [^] | 600000 | 1575000 | 10 | 10 | 60,00,000 | 14.96 | 10.89 | 1 Year |
| May 28, 2018 ² | Transfer | 252000 | 1827000 | 10 | 10 | 25,20,000 | 6.28 | 4.57 | 1 Year |
| Total | | 1827000 | | | | | 45.56 | 33.16 | |

~ Ordinary Equity Shares, which were renamed as “Equity Shares”, ranking pari passu in all respect, by way of special resolution passed at Class Meeting held on May 25, 2018, for variation of class rights.

* Class A Equity Shares which were renamed as “Equity Shares”, ranking pari passu in all respect, by way of special resolution passed at Class Meeting held on May 25, 2018 for variation of class rights.

[^] Class B Equity Shares, which were renamed as “Equity Shares”, ranking pari passu in all respect, by way of special resolution passed at Class Meeting held on May 25, 2018 for variation of class rights.

¹ 600000 Equity Shares were acquired from Moonbeam Vinimay Private Limited.

² 252000 Equity Shares were acquired from Mrs. Priti Somani.

The build-up of equity shareholding of Mr. Akshay Anil Somani, Promoter of our Company is as follows.

| Date of Allotment / Transfer | Nature of Issue Allotment / Transfer | Number of Equity shares | Cumulative No. of Equity Shares | Face Value (in ₹) per share | Issue/ Transfer Price (in ₹) per share | Total Consideration Paid (in ₹) | % of Pre Issue Capital | % of post issue Capital | Lock in Period |
|------------------------------|--------------------------------------|-------------------------|---------------------------------|-----------------------------|--|---------------------------------|------------------------|-------------------------|----------------|
| January 29, 2016 | Right Issue~ | 330000 | 330000 | 10 | 10 | 33,00,000 | 8.23 | 5.99 | 3 Years |

| | | | | | | | | | |
|-----------------------------|-----------------------|---------------|--------|----|----|-----------|--------------|--------------|--------|
| March 26, 2018 ¹ | Transfer [^] | 450000 | 780000 | 10 | 10 | 45,00,000 | 11.22 | 8.17 | 1 Year |
| Total | | 780000 | | | | | 19.45 | 14.16 | |

~ Ordinary Equity Shares, which were renamed as “Equity Shares”, ranking pari passu in all respect, by way of special resolution passed at Class Meeting held on May 25, 2018, for variation of class rights.

[^] Class B Equity Shares, which were renamed as “Equity Shares”, ranking pari passu in all respect, by way of special resolution passed at Class Meeting held on May 25, 2018 for variation of class rights.

¹ 252000 Equity Shares were acquired from Goodtime Commodities Private Limited.

B. Details of Promoter’s Contribution locked in for three years:

As per clause (a) of sub-regulation (1) Regulation 32 and sub-regulation (a) Regulation 36 of the SEBI ICDR Regulations, minimum twenty percent of the Post-Issue Equity Share Capital held by our Promoters in our Company shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the public issue, whichever is later. The lock-in of the Promoters’ Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include 1110000 Equity Shares subscribed and held by them as a part of Minimum Promoters’ Contribution constituting 20.15% of the post issue Equity Shares of our Company (“Minimum Promoters’ contribution”) and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters’ Contribution, and to be marked as locked in for a period of three years from the date of commencement of commercial production or date of allotment in the proposed public issue, whichever is later.

| Date of Allotment / Transfer | Nature of Issue Allotment / Transfer | Number of Equity shares | Face Value (in ₹) | Issue/ Transfer Price (in ₹) | Consideration (Cash/ other than cash) | Source of Contribution * | % of Pre Issue Capital | % of post issue Capital | Lock in Period |
|----------------------------------|--------------------------------------|-------------------------|-------------------|------------------------------|---------------------------------------|--------------------------|------------------------|-------------------------|----------------|
| Mr. Anil Devkishan Somani | | | | | | | | | |
| August 5, 2016 | Right Issue~ | 450000 | 10 | 10 | Cash | Own Source | 11.22 | 8.17 | 3 Years |
| Mr. Ankit Anil Somani | | | | | | | | | |
| January 29, 2016 | Right Issue~ | 330000 | 10 | 10 | Cash | Own Source | 8.23 | 5.99 | 3 Years |
| Mr. Akshay Anil Somani | | | | | | | | | |
| January 29, 2016 | Right Issue~ | 330000 | 10 | 10 | Cash | Own Source | 8.23 | 5.99 | 3 Years |
| | | 1110000 | | | | | 27.68 | 20.15 | |

* The Source of Contribution as certified by the M/s. Jain P.C. & Associates, Chartered Accountants vide their certificate dated August 8, 2018.

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. The Equity Shares of our Company held by the Promoters’ are in the process of dematerialization.

We further confirm that Minimum Promoters’ Contribution of 20.15% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters’ Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI ICDR Regulations.

The Equity Shares, which are being locked in as Minimum Promoters’ Contribution, are not ineligible for computation of Minimum Promoters’ Contribution in terms of Regulation 33 of the SEBI ICDR Regulations. We confirm that the Minimum Promoters’ Contribution of 20.15% of the Post Issue Capital of our Company which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters’ contribution;

- Equity shares which have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the issue price;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution are not subject to any pledge with any creditor; and
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Issue;

8. Equity Shares locked-in for one year

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance entire Pre-Issue Paid-up Equity Share Capital of our Company i.e. 2900000 Equity Shares will be locked-in for a period of one year from the date of allotment in the proposed Initial Public Offer.

9. Other requirements in respect of 'Lock-in'

In terms of Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred, after making compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable, to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 of the SEBI (ICDR) Regulations, may be transferred, after making compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable, to and amongst Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

In terms of Regulation 39 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the followings:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 36 of the SEBI (ICDR) Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 36 of the SEBI (ICDR) Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

10. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.

11. Our shareholding pattern:

The shareholding pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

(A). Table I - Summary Statement holding of specified securities

| Sr. No. (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Share holding as a % of total no. of shares (calculated as per SCR, 1957) (VIII) As a % of (A+B+C2) | Number 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 percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2) | Number of Locked in shares (XII)* | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form** | |
|-------------|--------------------------------|----------------------------|--|--|---|--|---|---|---------------------------|----------------|---|--|-----------------------------------|----------|---|-------------|---|---------------------------------|
| | | | | | | | | Class eg: X | No of Voting (XIV) Rights | | | | Total as a % of (A+B+C) | No. (a) | As a % of total shares held (b) | No. (a) | | As a % of total shares held (b) |
| | | | | | | | | | Class eg: Y | | | | | | | | | |
| (A) | Promoter & Promoter Group | 7 | 4010000 | 0 | 0 | 4010000 | 100.00 | 4010000 | 0 | 4010000 | 100.00 | 0 | 100.00 | 0 | 0.00 | 0 | 0 | 0 |
| (B) | Public | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (C) | Non Promoter-Non Public | | | | | | | | | | | | | | | | | |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | NA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | N.A. | N.A. | 0 |
| (C2) | Shares held by Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | N.A. | N.A. | 0 |
| | Total | 7 | 4010000 | 0 | 0 | 4010000 | 100.00 | 4010000 | 0 | 4010000 | 100.00 | 0 | 100.00 | 0 | 0.00 | N.A. | N.A. | 0 |

Note:

* All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to listing of shares on SME Platform of BSE Limited.

** In terms of SEBI circular bearing Number Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/05/2011, dated September 30, 2011, our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoters' Group shall be dematerialized prior to listing of shares.

(B). Table II - Statement showing shareholding pattern of the Promoters and Promoters' Group

| Sr. No. (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V) + (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form | |
|-------------|---|----------------------------|--|--|---|--|---|---|-------------|---------|---|--|----------------------------------|---------|---|---------|---|---------------------------------|
| | | | | | | | | No of Voting (XIV) Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total shares held (b) | No. (a) | | As a % of total shares held (b) |
| | | | | | | | | Class eg: X | Class eg: y | Total | | | | | | | | |
| (1) | Indian | | | | | | | | | | | | | | | | | |
| (a) | Individuals/Hindu undivided Family | 7 | 4010000 | 0 | 0 | 4010000 | 100.00 | 4010000 | 0 | 4010000 | 100.00 | 0 | 100.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| 1 | Anil Somani | - | 1200000 | 0 | 0 | 1200000 | 29.93 | 1200000 | 0 | 1200000 | 29.93 | 0 | 29.93 | 0 | 0.00 | 0 | 0.00 | 0 |
| 2 | Ankit Anil Somani | - | 1827000 | 0 | 0 | 1827000 | 45.56 | 1827000 | 0 | 1827000 | 45.56 | 0 | 45.56 | 0 | 0.00 | 0 | 0.00 | 0 |
| 3 | Akshay Anil Somani | - | 780000 | 0 | 0 | 780000 | 19.45 | 780000 | 0 | 780000 | 19.45 | 0 | 19.45 | 0 | 0.00 | 0 | 0.00 | 0 |
| 4 | Pooja Ankit Somani | - | 200000 | 0 | 0 | 200000 | 4.99 | 200000 | 0 | 200000 | 4.99 | 0 | 4.99 | 0 | 0.00 | 0 | 0.00 | 0 |
| 5 | Nitin Somani | - | 1000 | 0 | 0 | 1000 | 0.02 | 1000 | 0 | 1000 | 0.02 | 0 | 0.02 | 0 | 0.00 | 0 | 0.00 | 0 |
| 6 | Preeti Nitin Somani | - | 1000 | 0 | 0 | 1000 | 0.02 | 1000 | 0 | 1000 | 0.02 | 0 | 0.02 | 0 | 0.00 | 0 | 0.00 | 0 |
| 7 | Abhay Somani | - | 1000 | 0 | 0 | 1000 | 0.02 | 1000 | 0 | 1000 | 0.02 | 0 | 0.02 | 0 | 0.00 | 0 | 0.00 | 0 |
| (b) | Central Government/ State Government(s) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (c) | Financial Institutions/ Banks | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (d) | Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |

| | | | | | | | | | | | | | | | | | | |
|---|---|----------|----------------|----------|----------|----------------|---------------|----------------|----------|----------------|---------------|----------|---------------|----------|-------------|----------|-------------|----------|
| | Sub-Total (A)(1) | 7 | 4010000 | 0 | 0 | 4010000 | 100.00 | 4010000 | 0 | 4010000 | 100.00 | 0 | 100.00 | 0 | 0.00 | 0 | 0 | 0 |
| (2) | Foreign | | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non Resident Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (b) | Government | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (c) | Institutions | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (e) | Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | Sub-Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | Total Shareholding of Promoters and Promoters' Group (A)=(A)(1)+(A)(2) | 7 | 4010000 | 0 | 0 | 4010000 | 100.00 | 4010000 | 0 | 4010000 | 100.00 | 0 | 100.00 | 0 | 0.00 | 0 | 0 | 0 |
| Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A | | | | | | | | | | | | | | | | | | |
| Note: | | | | | | | | | | | | | | | | | | |
| PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s). | | | | | | | | | | | | | | | | | | |
| The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. | | | | | | | | | | | | | | | | | | |

(C). Table III - Statement showing shareholding pattern of the Public shareholder

| Sr. No. (I) | Category of shareholder (II) | No. of shares held (II) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957), As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form | |
|-------------|---|-------------------------|--|--|---|--|---|---|-------------|----------|---|--|----------------------------------|----------|---|-------------|---|---------------------------------|
| | | | | | | | | No of Voting (XIV) Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total shares held (b) | No. (a) | | As a % of total shares held (b) |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| (1) | Institutions | | | | | | | | | | | | | | | | | |
| (a) | Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (e) | Foreign Portfolio Investors | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (f) | Financial Institutions/Banks | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (g) | Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (h) | Provident Funds/Pension Funds | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (i) | Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| | Sub-Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (2) | Central Government/State Government(s)/President of India | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |

| | | | | | | | | | | | | | | | | | | |
|--|--|----------|----------|----------|----------|----------|-------------|----------|----------|----------|-------------|----------|-------------|----------|-------------|-------------|-------------|----------|
| | Sub-Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (3) | Non-institutions | | | | | | | | | | | | | | | | | |
| (a(i)) | Individuals - i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (a(ii)) | Individuals - ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs. | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (c) | Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (e) | Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| | Sub-Total (B)(3) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3) | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A | | | | | | | | | | | | | | | | | | |
| Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A. | | | | | | | | | | | | | | | | | | |
| Note: | | | | | | | | | | | | | | | | | | |
| PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s). | | | | | | | | | | | | | | | | | | |

(D). Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Sr. No. (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (A+B+C) | Number 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 percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form |
|-------------|--|----------------------------|--|--|---|---|---|-------------|----------|-------------------------|---|--|----------------------------------|---------------------------------|---|---------------------------------|---|
| | | | | | | | No of Voting (XIV) Rights | | | Total as a % of (A+B+C) | | | No. | As a % of total shares held (b) | No. | As a % of total shares held (b) | |
| | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| (1) | Custodian/DR Holder - Name of DR Holders (If Available) | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| (2) | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0 |
| | Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2) | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | N.A. | N.A. | 0.00 |

Our Company will file shareholding pattern of our Company in the format prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such equity shares.

12. The shareholding pattern of our Promoters and Promoters' Group and public before and after the Issue:

| Sr. No. | Name of share holder | Pre issue | | Post issue | |
|---|--------------------------------------|----------------------|---------------------------|----------------------|---------------------------|
| | | No. of equity shares | As a % of Issued Capital* | No. of equity shares | As a % of Issued Capital* |
| Promoters | | | | | |
| 1 | Mr. Anil Devkishan Somani | 1200000 | 29.93 | 1200000 | 21.78 |
| 2 | Mr. Ankit Anil Somani | 1827000 | 45.56 | 1827000 | 33.16 |
| 3 | Mr. Akshay Anil Somani | 780000 | 19.45 | 780000 | 14.16 |
| Total - A | | 3807000 | 94.94 | 3807000 | 69.09 |
| Promoters' Group | | | | | |
| 4 | Mrs. Pooja Ankit Somani | 200000 | 4.99 | 200000 | 3.63 |
| 5 | Mr. Nitin Somani | 1000 | 0.02 | 1000 | 0.02 |
| 6 | Mrs. Preeti Nitin Somani | 1000 | 0.02 | 1000 | 0.02 |
| 7 | Mr. Abhay Somani | 1000 | 0.02 | 1000 | 0.02 |
| Total - B | | 203000 | 5.06 | 203000 | 3.68 |
| Total Promoters and Promoters' Group (A+B) | | 4010000 | 100.00 | 4010000 | 72.78 |
| Public - Pre IPO | | | | | |
| 8 | NIL | 0 | 0.00 | 0 | 0.00 |
| Total-C | | 0 | 0.00 | 0 | 0.00 |
| 9 | Initial Public Offer - Public | 0 | 0.00 | 1500000 | 27.22 |
| Total-D | | 0 | 0.00 | 1500000 | 27.22 |
| Total Public (C+D) | | 0 | 0.00 | 1500000 | 27.22 |
| Grand Total (A+B+C+D) | | 4010000 | 100.00 | 5510000 | 100.00 |

* Rounded off

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

| Sr. No. | Name of Promoters | No. of Equity Shares held | Average Cost of Acquisition per equity share (in ₹) |
|---------|---------------------------|---------------------------|---|
| 1. | Mr. Anil Devkishan Somani | 1200000 | 10.00 |
| 2. | Mr. Ankit Anil Somani | 1827000 | 10.00 |
| 3. | Mr. Akshay Anil Somani | 780000 | 10.00 |

The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer and the net cost of acquisition has been divided by total number of shares held as on date of this Draft Prospectus.

14. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares of our Company have been listed in pursuance of this Draft Prospectus. Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose, as the Board may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.
15. Except listed below, there are no transactions in our Equity Shares, which have been purchased/(Sold) by our Promoters or Directors, their relatives and associates, persons in promoters' group (as defined under sub-clause (zb) sub-regulation (1) of Regulation 2 of the SEBI (ICDR) Regulations, 2009) of the Company during the past six months immediately preceding the date of filing this Draft Prospectus;

| Sr. No. | Date of Transfer | Name of Transferor | Category of Transferor | Name of Transferee | Category of Transferee | No. of Equity Shares | Amount per Equity share (in ₹) |
|---------|------------------|--------------------------------------|------------------------|----------------------------|------------------------|----------------------|--------------------------------|
| 1. | May 28, 2018 | Mrs. Preeti Nitin Somani | Promoter Group | Mr. Nitin Devkishan Somani | Promoter Group | 1000 | 10/- |
| 2. | May 28, 2018 | Mrs. Preeti Nitin Somani | Promoter Group | Mr. Abhay Nitin Somani | Promoter Group | 1000 | 10/- |
| 3. | May 28, 2018 | Mrs. Preeti Nitin Somani | Promoter Group | Mr. Ankit Anil Somani | Promoter | 252000 | 10/- |
| 4. | March 26, 2018 | Moonbeam Vinimay Private Limited | Public | Mr. Ankit Anil Somani | Promoter | 600000 | 10/- |
| 5. | March 26, 2018 | Moonbeam Vinimay Private Limited | Public | Mrs. Pooja Ankit Somani | Promoter Group | 150000 | 10/- |
| 6. | March 26, 2018 | Goodtime Commodities Private Limited | Public | Mr. Anil Devkishan Somani | Promoter | 200000 | 10/- |
| 7. | March 26, 2018 | Goodtime Commodities Private Limited | Public | Mr. Akshay Anil Somani | Promoter | 450000 | 10/- |

16. The members of the Promoters' Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of this Draft Prospectus.
17. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Draft Prospectus.
18. There are no safety net arrangements for this public issue.
19. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
20. All the Equity Shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
21. As per RBI regulations, OCBs are not allowed to participate in this Issue.

22. Equity Shares held by top ten shareholders:

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

| Sr. No. | Name of shareholders | No. of Equity Shares held | % of Paid up Capital* |
|--------------|--------------------------|---------------------------|-----------------------|
| 1. | Mr. Anil Somani | 1200000 | 29.93 |
| 2. | Mr. Ankit Anil Somani | 1827000 | 45.56 |
| 3. | Mr. Akshay Anil Somani | 780000 | 19.45 |
| 4. | Mrs. Pooja Ankit Somani | 200000 | 4.99 |
| 5. | Mr. Nitin Somani | 1000 | 0.02 |
| 6. | Mrs. Preeti Nitin Somani | 1000 | 0.02 |
| 7. | Mr. Abhay Somani | 1000 | 0.02 |
| Total | | 4010000 | 100.00 |

* Rounded off

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

| Sr. No. | Name of shareholders | No. of Equity Shares held | % of Paid up Capital* |
|--------------|--------------------------|---------------------------|-----------------------|
| 1. | Mr. Anil Somani | 1200000 | 29.93 |
| 2. | Mr. Ankit Anil Somani | 1827000 | 45.56 |
| 3. | Mr. Akshay Anil Somani | 780000 | 19.45 |
| 4. | Mrs. Pooja Ankit Somani | 200000 | 4.99 |
| 5. | Mr. Nitin Somani | 1000 | 0.02 |
| 6. | Mrs. Preeti Nitin Somani | 1000 | 0.02 |
| 7. | Mr. Abhay Somani | 1000 | 0.02 |
| Total | | 4010000 | 100.00 |

* Rounded off

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

| Sr. No. | Name of shareholders | No. of Equity Shares held [^] | % of the then existing Paid up Capital* |
|--------------|----------------------------------|--|---|
| 1. | Mr. Anil Somani | 1000000 | 24.94 |
| 2. | Mr. Ankit Anil Somani | 975000 | 24.31 |
| 3. | Lawa Marketing Private Limited | 600000 | 14.96 |
| 4. | Bluerose Sales Private Limited | 450000 | 11.22 |
| 5. | Mr. Akshay Anil Somani | 330000 | 8.23 |
| 6. | Mrs. Preeti Nitin Somani | 255000 | 6.36 |
| 7. | Crystal Dealmark Private Limited | 200000 | 4.99 |
| 8. | Circular Tie up Private Limited | 150000 | 3.74 |
| 9. | Mrs. Pooja Ankit Somani | 50000 | 1.25 |
| Total | | 4010000 | 100.00 |

[^] No. of Equity Shares held includes all classes of Equity Shares as then existed.

* Rounded off

23. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

24. There are no Equity Shares against which depository receipts have been issued.

25. As on date of this Draft Prospectus, other than the Equity Shares, there are is no other class of securities issued by our Company.

26. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

27. The Issue is being made through the Fixed Price Process and allocation would under regulation 43(4) wherein;

- (a) minimum fifty per cent shall be allotted to retail individual investors; and
- (b) remaining to Individual applicants other than retail individual investors and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage. For details, see chapter titled "Issue Procedure" beginning on page no. 194 of this Draft Prospectus.

28. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

29. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

30. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
31. We have 7 (Seven) shareholders as on the date of filing of this Draft Prospectus.
32. Our Promoters and the members of our Promoters' Group will not participate in this Issue.
33. Our Company has not made any public issue or right issue since its incorporation.
34. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of this Draft Prospectus.

The associates of the Lead Manager, if any, may subscribe the Equity Shares in the Offer, either in the Net QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

35. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoters' Group between the date of filing the Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
36. Except Mr. Anil Devkishan Somani, Chairman and Managing Director who holds 1200000 Equity Shares, Mr. Ankit Anil Somani, Managing Director who holds 1827000 Equity Shares and Mr. Akshay Anil Somani, Non-Executive Director and Chief Financial Officer who holds 780000 equity Shares; none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company.

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue includes a public Issue of 1500000 Equity Shares of our Company at an Issue Price of ₹ 40/- per Equity Share.

THE FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. Modernizations of Plant and Machineries, Building and Electrification;
2. Working Capital Requirements;
3. General Corporate Purpose;
4. Developing of New Products;
5. Public Issue Expenses

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company. Our Company is primarily in the business of manufacturing of Polypropylene (PP) multifilament yarns, Polypropylene (PP) webbings and Narrow Woven Fabrics, Bag closing threads etc. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ 519.76 Lakhs (the “**Net Proceeds**”).

The following table summarizes the requirement of funds:

| Sr. No. | Particulars | Amount (₹ in Lakhs) | % of total Issue Size |
|---------|--|---------------------|-----------------------|
| 1. | Modernization of Plant and Machineries, Building and Electrification | 172.35 | 28.72 |
| 2. | Working Capital Requirements | 270.00 | 45.00 |
| 3. | General Corporate Purpose | 70.00 | 11.67 |
| 4. | Developing of New Products | 7.41 | 1.24 |
| 5. | Public Issue Expenses | 80.24 | 13.37 |
| | Gross Issue Proceeds | 600.00 | 100.00 |
| | Less: Issue Expenses | 80.24 | |
| | Net Issue Proceeds | 519.76 | |

UTILIZATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

| Sr. No. | Particulars | Amount (₹ in Lakhs) |
|---------|--|---------------------|
| 1. | Modernisation of Plant and Machineries, Building and Electrification | 172.35 |
| 2. | Working Capital Requirements | 270.00 |
| 3. | General Corporate Purpose | 70.00 |
| 4. | Expenses for developing of New Products | 7.41 |
| | Total | 519.76 |

MEANS OF FINANCE

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

| Particulars | Amount (₹ in) Lakhs |
|--------------------|---------------------|
| Net Issue Proceeds | 519.76 |

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

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors. In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus. As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the Section titled "Risk Factors" beginning on page no. 9 of this Draft Prospectus.

DETAILS OF USE OF ISSUE PROCEEDS

1. Modernization of Plant and Machineries, Building and Electrification:

The total cost of Modernization of Plant and Machineries, Building and Electrification is ₹ 172.35 Lakhs. The detailed cost break up is as follows:

A. Plant and Machineries:

At present our company is having 5 major Plant and Machineries (P&M) and each having installed capacity of manufacturing 50MT/per month aggregating to 250MT/per month. Out of 5 (P&M), 4 (P&M) are required to be upgraded and to be modernized in order to continue to reap the optimum utilization of installed capacity. Our Company has received quotation dated August 10, 2018, from Harikrushna Machinotech Private Limited for various parts of P&M. The brief details of Designing, Engineering, Manufacturing, Testing Supply, Supervision, Erection, Testing, Installation and Commissioning of P&M are as follows:

| Sr. No. | Description of Goods | Quantity | Rate | Amount (in ₹) |
|---------|--|----------|----------|---------------|
| 1. | 50mm Extruder (30:1) with Nitride Hardened Screw and bi-metallic Barrel along with Screw Barrel Sleeves | 4.00 | 8,50,000 | 34,00,000 |
| 2. | Self-Cleaning type screen-changer enabling parallel-operating, double-channel, continuous flow screen changer, each channel being equipped with interchangeable filtering cartridge, not requiring any production stops for cleaning or replacement. | 4.00 | 6,00,000 | 24,00,000 |
| 3. | Die Spin-pack, including Premium quality Spinnerets with 98 holes round as standard | 64.00 | 35000 | 22,40,000 |
| 4. | Automatic winding heads, for automatic bobbin changeover | 32.00 | 1,10,000 | 35,20,000 |
| | Sub Total | | | 1,15,60,000 |

| Sr. No. | Description of Goods | Quantity | Rate | Amount (in ₹) |
|---------|-----------------------------|----------|------|---------------|
| | GST @ 18% | | | 20,80,800 |
| | Total | | | 1,36,40,800 |
| | Say (₹ in Lakhs) (A) | | | 136.41 |

*Quotation is valid for a period of 90 days.

B. Building:

Our Company has received quotation dated August 2, 2018, from Kartik Infraspace LLP for modernization of Building and Electrification work thereof. The brief details are as follows:

| Particulars | UOM | BOQ | Rate | Amount (in ₹) |
|--|---------|--------|------|---------------|
| STRENGTHENING AND WATERPROOFING TREATMENT OF FACOTRY PREMISES AT BORISANA | SQ FT | 31,800 | 35 | 11,13,000 |
| Providing and lying of APP (Atactic Polypropylene Polymer) over Roof Top and Painting top of Roof with bitumen of approved quality. Providing and lying Poly eurethene paste in Expansion Joints. Waterproofing work guarantee of 3 years | | | | |
| STRUCTURAL STEEL ERECTION SERVICES FOR MEZZANINE FLOOR AT FACTORY PREMISES BORISANA | Kgs | 70,000 | 130 | 9,10,000 |
| Providing and fixing in position Base Foundation, Bench, screen, guard rail, gratings, drain cover, ladder, angle iron, column guards, foot rests, Trellis etc made of MS Angle, Channel, beam Plate, Pipe, MS square bars/tube with MS flats, MS shoes welded as per design and drawing including bending to profile as per drawing, grinding and cutting | | | | |
| MISCELLENOUS ELECTRIFICATION WORK FOR MEZZANINE FLOOR AT FACTORY PREMISES BORISANA | LUMPSUM | | | 4,00,000 |
| Providing fixing and layout of electrical system unit including fixtures, wiring, cabling conducting fixing & connecting to the mains panel distribution boards, power points, light points and earthing system. The work to be coordinated with existing available system | | | | |
| Sub Total | | | | 24,23,000 |
| GST @18% | | | | 4,36,140 |
| Total | | | | 28,59,140 |
| Say (₹ in Lakhs) (B) | | | | 28.59 |

*Quotation is valid for a period of 90 days.

C. Automation and Smart Solution:

Our company has receive quotation dated August 10, 2018, from "Latitude 23" for automation and installation of CCTV, Router and networking system, Automation etc. The brief summary details are as follows:

| Sr. No. | Product Name | Amount (In ₹) |
|---------|--------------------------------|-----------------|
| 1. | CCTV systems | 1,42,500 |
| 2. | Intrusion system | 75,210 |
| 3. | ROUTER and Networking | 1,02,000 |
| 4. | Automation for office building | 2,51,000 |
| 5. | Access Control | 52,000 |
| | Sub Total | 6,22,710 |
| | GST@18% | 1,12,088 |
| | Total | 7,34,798 |

| | |
|-----------------------------|-------------|
| Say (₹ in Lakhs) (C) | 7.35 |
|-----------------------------|-------------|

*Quotation is valid for a period of 90 days.

2. Working Capital Requirements:

Our business is in business of providing of manufacturing of Polypropylene (PP) multifilament yarns, Polypropylene (PP) webbings and Narrow Woven Fabrics, Bag closing threads etc. As on March 31, 2018, Net Working Capital requirement of our Company as per restated financial statement was ₹ 501.36 Lakhs as against that of ₹ 590.40 lakhs as on March 31, 2017 as per restated financial statement. The Net Working capital requirements for the financial year 2018-19 is estimated to be ₹ 1250.98 Lakhs. The Company will meet the requirement to the extent of ₹ 270.00 Lacs from the Net Proceeds of the Issue and balance from borrowings and internal accruals at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows;

| (₹ in Lakhs) | | | |
|---|----------------------------|----------------------------|-----------------------------|
| Particulars | F.Y. 2016-17 (Restated) | F.Y. 2017-18 (Restated) | F.Y. 2018-19 (Estimated) |
| Inventories – Stock In Trade/Finished Goods | 54.28 | 123.01 | 325.83 |
| Trade receivables | 501.54 | 374.55 | 745.86 |
| Cash and cash equivalents | 21.81 | 25.94 | 34.34 |
| Short-term loans and advances | 393.13 | 293.43 | 166.00 |
| Other Current Assets | 2.71 | 2.66 | 228.68 |
| Total Current Assets | 973.47 | 819.59 | 1,500.71 |
| Trade payables | 201.48 | 145.97 | 50.13 |
| Other current liabilities | 156.06 | 146.02 | 174.39 |
| Short-term provisions | 25.53 | 26.23 | 25.21 |
| Total Current Liabilities | 383.07 | 318.23 | 249.73 |
| Net Working Capital | 590.40 | 501.36 | 1,250.98 |
| Funding Pattern | | | |
| Short Term Borrowings | 592.23 | 309.49 | 630.00 |
| Unsecured Loan from Directors and Relatives and Internal Accruals | - | 501.36 | 350.98 |
| Proceeds from IPO | - | - | 270.00 |
| Total | 590.40 | 501.36 | 1,250.98 |

Justification:

| Particulars | F.Y. 2018-19 (Estimated) |
|------------------|--|
| Debtors | Company expects Debtors Holding days to be at 76 days approximately for F.Y. 2018-19 based on increased sales and better credit Management policies ensuring timely recovery of dues. |
| Creditors | Company expects Creditors to maintain mere 7 days approximately in spite of increase in purchase of raw materials and credit received by them. On making payment within a short period of 7 days, company can reap the benefit of cash discount. |
| Inventory | Company expects Inventory levels of WIP to maintain at 33 days approximately for F.Y. 2018-19 due to their production cycle and maintaining required level of inventory. |

3. General Corporate Purpose:

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy ₹ 70.00 Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

1. Strategic initiatives;
2. Brand building and strengthening of marketing activities; and
3. On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

4. Expenses for developing of New Products:

Our company intends to develop new products of PP multifilament yarn for our customers for which our management has estimated approximately ₹ 7.41 Lakhs, which will be utilized out of the Net Proceeds of the Issue. For details of our existing products, please refer the Chapter titled “Business Overview” appearing on page no. 69 of this Draft Prospectus.

5. Public Issue Expenses:

The total expenses of the Issue are estimated to be approximately ₹ 80.24 lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

| Expenses | Expenses (₹ in Lakhs) | Expenses (% of total Issue expenses) | Expenses (% of Gross Issue Proceeds) |
|--|-----------------------|--------------------------------------|--------------------------------------|
| Payment to Merchant Banker | 28.32 | 35.29 | 4.72 |
| Regulatory Fees, printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc. | 11.80 | 14.71 | 1.97 |
| Market Making, Marketing and Other Expenses | 40.12 | 50.00 | 6.69 |
| Total Estimated Issue Expenses | 80.24 | 100.00 | 13.38 |

Note:

- Up to August 17, 2018, Our Company has deployed/incurred expense of ₹5.39 Lakhs towards Issue Expenses out of internal accruals duly certified by Statutory Auditor M/s. Jain P. C. & Associates, Chartered Accountants vide its certificate dated August 18, 2018.
- Any expenses incurred towards aforesaid issue related expenses during the period from August 18, 2018 onwards to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.
- SCSBs will be entitled to a processing fee of ₹ 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment. Selling commission payable to Registered broker, SCSBs, RTAs, CDPs, on the portion for RIIs and NIIs, would be 0.05% on the Amount Allotted on amount allotted within 30 working days post the date of receipt of final invoices of the respective intermediaries. (Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.)

Due to business exigencies, the use of issue proceeds as declared above may be inter changeable. However, the use of issue proceeds for general corporate purpose shall not exceed 25% at any point of time.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

| Sr. No. | Particulars | Amount to be funded from the Net Proceeds(₹ in Lakhs) | Estimated Utilization of Net Proceeds (₹ in Lakhs) (Financial year 2018-19)* |
|---------|---|---|--|
| 1. | Modernization of Plant and Machineries, Building and Electrification; | 172.35 | 172.35 |
| 2. | Working Capital Requirements; | 270.00 | 270.00 |
| 3. | General Corporate Purpose; | 70.00 | 70.00 |
| 4. | Expenses for developing of New Products | 7.41 | 7.41 |

*To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects. Due to general business exigencies, the use of issue proceeds may be inter changeable.

APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

BRIDGE FINANCING

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

INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

SHORT FALL OF FUNDS

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

MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

VARIATION IN OBJECTS

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

OTHER CONFIRMATIONS

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

BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's Restated Financial Statements. Investors should also refer to the sections titled "Risk Factors" and "Auditors Report and Financial Information of Our Company" on page no. 9 and 126, respectively of this Draft Prospectus to get a more informed view before making the investment decision.

QUALITATIVE FACTORS

- Location of the Factory (Manufacturing Unit) and installed Capacity
- Optimal Utilization of Resources
- Management and Employee expertise
- Quality Assurance

For details of qualitative factors, please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page no. 69 of this Draft Prospectus.

QUANTITATIVE FACTORS

1. Basic & Diluted Earnings Per Share (EPS):

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Diluted Potential Equity Shares outstanding during the year}}$$

| Financial Year/Period | Basic and Diluted EPS (in ₹)# | Weights |
|-------------------------------------|-------------------------------|---------|
| Financial Year ended March 31, 2016 | 1.14 | 1 |
| Financial Year ended March 31, 2017 | 0.59 | 2 |
| Financial Year ended March 31, 2018 | 3.69 | 3 |
| Weighted Average | 2.23 | |

Face Value of Equity Share is ₹ 10.

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 40:

| Particulars | EPS (in ₹) | P/E at the Issue Price (₹ 40) |
|---|------------|-------------------------------|
| Based on EPS of Financial Year ended March 31, 2018 | 3.69 | 10.84 |
| Based on Weighted Average EPS | 2.23 | 17.92 |

3. Return on Net Worth:

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} * 100$$

| Financial Year/Period | Return on Net Worth (%) | Weights |
|-------------------------------------|-------------------------|---------|
| Financial Year ended March 31, 2016 | 7.14 | 1 |
| Financial Year ended March 31, 2017 | 4.61 | 2 |
| Financial Year ended March 31, 2018 | 24.03 | 3 |
| Weighted Average | 14.74 | |

4. Minimum Return on Increased Net Worth required to maintain pre-issue Earnings Per Share:

| Period | Particulars | Details |
|----------------------|---|---------|
| As at March 31, 2018 | Earnings per Share (₹) | 3.69 |
| | Minimum Return on Increased Net Worth (%) | 16.74 |
| Weighted Average | Earnings per Share (₹) | 2.23 |
| | Minimum Return on Increased Net Worth (%) | 10.11 |

5. Net Asset Value per Equity Share:

$$\text{Restated Net Asset Value per equity share (₹)} = \frac{\text{Restated Net Worth as at the end of the year}}{\text{Total Number of Equity Shares outstanding during the year}}$$

| Particular | Amount (in ₹) |
|--------------------------------------|---------------|
| As at March 31, 2018 | 15.37 |
| NAV per Equity Share after the Issue | 22.08 |
| Issue Price per Equity Share | 40.00 |

6. Comparison of Accounting Ratios with Peer Group Companies:

| Name of the company | Standalone/ Consolidated | Face Value (₹) | Current Market Price (₹) [@] | EPS (₹) Basic | P/E Ratio | RoNW (%) | NAV per Equity Share (₹) | Revenue from operations (₹ in Lakhs) |
|---|--------------------------|----------------|---------------------------------------|---------------|-----------|----------|--------------------------|--------------------------------------|
| Shubham Polyspin Limited* | Standalone | 10.00 | 40.00 | 3.69 | 10.84 | 24.03 | 15.37 | 2,688.81 |
| Peer Group | | | | | | | | |
| Garware Technical Fibres Limited [^] | Standalone | 10.00 | 1248.95 | 48.04 | 26.00 | 19.62 | 244.82 | 88,549.56 |

* The EPS, P/E Ratio, NAV, RoNW and revenue from operations are taken as per Restated Financial Statement for the Financial Year 2017-18.

[@] Current Market Price (CMP) is taken as the closing price of respective scripts as on August 17, 2018 at BSE Limited. For our Company, we have taken the issue price of equity share.

[^] The Figures as at March 31, 2018 and are taken from the Annual Report uploaded on its website.

7. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is 4 times the face value of equity share.

The Issue Price of ₹ 40/- is determined by our Company in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled “Risk Factors” and chapters titled “Business Overview” and “Auditors Report and Financial Information of our Company” beginning on page nos. 9, 69 and 126 respectively of this Draft Prospectus.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors,
Shubham Polyspin Limited
Block No. 748, Saket Industrial Estate,
Nr. Kaneria Oil Mill, Jetpura- Basantpura Road,
Village Borisana Taluka Kadi Mahesana – 382 728

Dear Sir,

Sub: Statement of possible tax benefits (“the statement”) available to Shubham Polyspin Limited (“the company”) and its shareholder prepared in accordance with the requirement in Schedule VIII- Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulation 2009, as amended (“the regulations”)

Ref.: Initial Public Offer of Equity Shares by Shubham Polyspin Limited

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2018 (i.e. applicable to Financial Year 2018-19 relevant to Assessment Year 2019-20), presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

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

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

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

The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.

We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

For, **Jain P.C. & Associates**
Chartered Accountants

Karan R Ranka
Partner
Membership No. 136171
FRN: 126313W

Date: August 8, 2018
Place: Ahmedabad

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

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

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.

SECTION V – ABOUT US

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and other industry sources. Neither we nor any other person connected with this Issue have 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 their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly investment decisions should not be based on such information.

Overview of the Economy

The year 2017-18 was marked with strong macro-economic fundamentals. However, the growth of gross domestic product (GDP) moderated in 2017- 18 vis-à-vis 2016-17. There was an improvement in export growth, fiscal trends remained attuned to the consolidation plans and inflation remained within the limits. The year also witnessed an increase in global confidence in Indian economy as well as improvement in ease of doing business ranking. Various economic reforms were undertaken in the year which includes: implementation of the Goods and Service Tax, announcement of bank recapitalization, push to infrastructure development by giving infrastructure status to affordable housing, higher allocation of funds for highway construction and greater focus on coastal connectivity. Further initiatives include: lower income tax for companies with annual turnover up to 50 crore; allowing carry-forward of MAT credit up to a period of 15 years instead of 10 years at present; further measures to improve the ease of doing business; and, major push to digital economy. Other sectoral initiatives undertaken include: measures to revive the construction sector and promotion of exports in textile and apparel industry. Apart from these, the measures that were taken by the Government in the previous years to boost manufacturing, employment generation, improving ease of doing business and transparency via schemes such as Make-in-India, Skill India, direct benefit transfer and measures for financial inclusion were also taken forward in 2017-18. An important macro-economic challenge faced by the Indian economy relates to the declining trend in the investment and saving rates, as seen from the latest available data. Nonetheless, medium-term macro outlook remains bright against the background of implementation of GST, green shoots in the global economy, relatively stable prices and improvement in indicators of external sector.

GDP growth

As per the 1st Advanced Estimates released by the Central Statistics Office (CSO), the economy is expected to grow by 6.5 per cent in 2017-18 in terms of GDP at constant (2011-12) market prices. The gross value added (GVA) at constant (2011-12) basic prices is expected to grow by 6.1 per cent in 2017-18, as compared to the growth of 7.1 per cent achieved in 2016-17. The growth in agriculture, industry and services is estimated at 2.1 per cent, 4.4 per cent and 8.3 per cent respectively in 2017-18, as compared to 4.9 per cent, 5.6 per cent and 7.7 per cent in 2016-17. Growth rate of industry sector declined in 2017-18, mainly on account of moderate growth in manufacturing sector. It was the services sector that contributed to more than half of the overall GVA growth rate of 6.1 per cent in 2017-18. From the demand side, the final consumption expenditure has been the major driver of GDP growth. The growth of fixed investment at constant prices increased from 2.4 per cent in 2016-17 to 4.5 per cent in 2017-18. As per CSO, the exports of goods and services are estimated to grow by 4.5 per cent in real terms in 2017-18 as was the case in 2016-17, whereas the imports are estimated to grow by 10.0 per cent in 2017- 18 as against 2.3 per cent in 2016-17

Industry and Services

The performance of the industrial sectors based on the Index of Industrial Production (IIP) comprising mining, manufacturing and electricity reveals the industrial sector registered a growth of 3.2 per cent during April-November 2017, as compared to 5.5 per cent during the corresponding period of previous year. As per the sectoral classification, mining, manufacturing and electricity sectors registered 3.0 per cent, 3.1 per cent and 5.2 per cent growth during April-November 2017 over the corresponding period of previous year respectively. Among the use-based categories, primary goods, capital goods, intermediate goods, infrastructure/construction goods, consumer non-durables goods attained positive growth during April-November 2017.

Central Government Finances

Commitment to fiscal consolidation helped the Government achieve the fiscal deficit target of 3.5 per cent of GDP budgeted in 2016-17. In 2017-18, fiscal deficit and revenue deficit were budgeted at ₹ 5,46,532 crores (3.2 per cent of GDP) and ₹ .3,21,163 crores (1.9 per cent of GDP) respectively. The budget estimates (BE) for 2017-18 envisaged a tax to GDP ratio of 11.3 per cent and total expenditure to GDP ratio 12.7 per cent. The envisaged growth for gross tax revenue (GTR) was 12.2 per cent over revised estimate (RE) of 2016-17. The total expenditure in BE 2017-18 was estimated to increase by 6.6 per cent over RE of 2016-17.

As per the data on Union government finances for April-November 2017 released by Controller General of Accounts, the GTR increased by 16.5 per cent in comparison to the corresponding period of the previous year and was at 56.9 per cent of BE of 2017-18. The non-tax revenue registered a decline of 39.7 per cent over the corresponding period of the previous year. On the contrary, at the end of November 2017, the non-debt capital receipts increased by 89.9 per cent and stood at 73.3 per cent of the BE of 2017-18.

Major subsidies increased by 4.2 per cent during April-November 2017, as compared to April-November 2016. Food subsidy increased by ₹12,196 crore and petroleum subsidy increased by ₹2518 crore during April-November 2017 as compared to the corresponding period in 2016-17 while fertilizer subsidy declined by ₹6,437 crore.

Fiscal deficit and revenue deficit at 112 per cent of BE and 152.2 per cent of the BE respectively in the year 2017-18 (April-November) was higher than the five-year average of 89.2 per cent and 97.8 per cent respectively. The revised estimates place fiscal and revenue deficits at 3.5 per cent of GDP and 2.6 per cent of GDP respectively in 2017-18.

Prospects

The reforms measure undertaken in 2017-18 can be expected to strengthen and reinforce growth momentum. The prospects for Indian economy for the year 2018-19 need to be assessed in the light of emerging global and domestic developments. Indications are that global economic growth is expected to pick up slightly. This can be expected to provide further boost to India's exports, which have already shown acceleration in the current financial year. On the other hand, the increasing global prices of oil and other key commodities may exert an upward pressure on the value of imports. There are signs of revival of investment activity in the economy and the recent pick up in the growth of fixed investment can be expected to maintain momentum in the coming year. In line with the projections for strengthening of India's growth by multi-lateral institutions, the nominal growth of the economy is expected to be 11.5 per cent in the financial year 2018-19.

(Source: <https://www.indiabudget.gov.in/ub2018-19/frbm/frbm1.pdf>)

Fiscal Policy Outlook for 2018-19

The Government is aiming to revert to the path of fiscal rectitude after the temporary blip in the following year, that is FY 2018-19. This will also be the maiden year of the new targeting framework, where the twin focus would be on reducing debt and the fiscal deficit. The Government aims to reach the FD target of 3.3 per cent of GDP in BE 2018-19. 16. The Gross Tax Revenue of the Government is expected to increase to ₹ 2271242 crore in BE 2018- 19 from an RE of ₹ 1946119 crore. This implies a growth of 16.7 per cent over the RE. As a per cent of GDP this is anticipated to be 12.1 per cent compared to the 11.6 per cent assumed in RE 2017-18. There is a bump-up in the GTR to GDP estimates from the level of RE 2017-18. The caveat is that the GTR includes a portion, the GST Compensation Cess (amounting to ₹ 90000 crore) which cannot be utilised by the Central Government for its expenditure commitments. 17. Direct taxes have been projected to increase to ₹ 1150000 crore in BE 2018-19. This implies a growth of 14.4 per cent in 2018-19 compared to RE 2017-18. The increase in direct taxes is expected to be from both the arms of direct tax, namely Corporate Income Tax and Personal Income Tax. These have been budgeted to increase to ₹ 621000 crore and ₹ 529000 crore respectively. 18. Indirect taxes in BE 2018-19 are expected to be ₹ 1116000 crore. It is anticipated that the GST revenues will be ₹ 743900 crore in BE 2018-19 compared to ₹ 444631 crore in RE 2017-18. The fact that GST was imposed only after the completion of the first quarter. The non-GST component of the indirect taxes would be ₹ 372100 crore in BE 2018- 19. This is compared to ₹ 491744 crore in RE 2017- 18. It is expected that Indirect taxes will grow by 17.3 per cent in 2018-19 over RE 2017-18. 19. The Non tax revenue is expected to grow over the RE 2017-18 by 3.9 per cent to an amount of ₹ 245089 crore in BE 2018-19. As a per cent of GDP, the Non-tax Revenue component constitutes 1.3 per cent. Non-debt Capital Receipts have been budgeted in BE 2018-19 to be ₹ 92199 crore compared to the RE 2017-18 figure of ₹ 117473 crore. The main contributor to this kitty is from disinvestment receipts, which has been anticipated to be ₹ 80000 crore in BE 2018-19. Net borrowings and other liabilities are expected to be ₹ 624276 crore to finance the fiscal deficit, a majority of which would be mainly financed through market borrowings.

Subsidy Reforms:

Outgo on major subsidies is budgeted at 1.4 per cent of GDP in BE 2018-19. Rationalization of major subsidies is important from the viewpoint of fiscal consolidation. The effort of Government would be to address this issue with a two pronged strategy. Government is committed to progressively pursuing subsidy reforms in a manner that will ensure efficient targeting of subsidies to the poor and needy, while also saving scarce financial resources for investment in infrastructure and pursuit of new development programmed announced by the Government. With the aim of reforming Government delivery system by reengineering the existing process in welfare schemes for simpler and faster flow of information/funds and to ensure accurate targeting of the beneficiaries, deduplication and reduction of fraud, Direct

Benefit Transfer (DBT) was started on 1st January, 2013. 41. Jharkhand has become the first State in the country to implement DBTK in all the districts of the State. The States of Karnataka, Haryana, Telangana, Nagaland, Bihar, Gujarat and Goa have responded favorably by undertaking voluntary cut in their PDS SKO allocation. Further, the UTs of Delhi, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry have become Kerosene Free and all the remaining UTs are also likely to become Kerosene free shortly. The State(s) of Haryana, Punjab and Andhra Pradesh have also become Kerosene Free. 42. Pilot run of DBT in fertilizer was completed by 31st March, 2017 in 14 districts and in newly added 3 districts in Aug 2017. Currently PAN India roll-out is under process. When PAN India roll out of DBT in fertilizers happens, the subsidies will be paid within a week of sales being registered in the PoS machines. 43. All States/UTs have adopted National Food Security Act (NFSA), 2013 and implementation of NFSA became universal from 1st November 2016. Out of the target of 81.34 crore persons, 80.72 crore has been covered as on date under NFSA and the remaining is also expected to be covered within the current Financial Year. As part of efforts to modernize and to introduce the best practices & transparency in the Targeted Public Distribution System (TPDS), the scheme on End-to-end Computerization of TPDS Operations is being implemented. 2.84 lakh Fair Price Shops (FPSs) out of total 5.27 lakh FPS have been provided with ePoS devices in 23 States/UTs. At the National level 81.63 per cent ration cards have been seeded with Aadhar numbers.

(Source: <https://www.indiabudget.gov.in/ub2018-19/frbm/frbm3.pdf>)

INDIAN TECHNICAL TEXTILE INDUSTRY

Technical textiles are textile materials and products used for their technical performance and functional properties. Technical textiles are an important part of the textile industry and its potential is still largely untapped in India. With the increase in disposable income, the consumption of technical textiles is expected to increase. Thriving on end user segment growth and domestic consumption, the Indian technical Textiles market has reached INR 1,16,000 crore by 2016-17 at a year-on-year growth rate of 12% p.a Major Schemes being implemented for technical textiles by Ministry Of textiles, overnment of India.

I. Technology Mission on Technical Textiles (TMTT)

Under Technology Mission on Technical Textiles (TMTT) with a fund outlay of ₹ 200 crore, four Centres of Excellence (CoE) were set up in the area of Indutech, Sportech, Non wovens and Composites and four CoEs were upgraded in the area of Agrotech, Meditech, Protech and Geotech.

II. Scheme for promoting usage of Agrotexiles in North-Eastern Region

The scheme has an approved outlay of Rs.55 crore for a period of 5 years from 2012-13 to 2016-17. The Scheme has been extended for another two years (2017-18 & 2018-19). The aim of the scheme is to encourage utilization of Agrotexiles in improving the agriculture, horticulture, floriculture & sericulture produce of the N-E states through awareness programmes, development of Agrotexile products suitably customized for use in the North-Eastern region, creating demonstration set-up depicting the benefit of usage of Agrotexile products suitable for the region, training of farmers and distribution of Agrotexile kits to farmers in the local communities. Demo centres have already been established in all the NER states.

III. Scheme for promoting usage of Geotechnical textiles in North-Eastern Region

The Scheme was launched in December 2014 with a total outlay of ₹ 427 crore for a period of 5 years from 2014-15 to 2018-19. The objective of the scheme is to promote and utilize Geo-textiles in development and strengthening of the infrastructure in the NE states by providing technological and financial support for meeting incremental costs, if any, due to the usage of Geo textiles in existing/ new projects in road, hill/ slope protection & water reservoirs. The projects are identified in consultation with the State-Governments & concerned Stakeholder Agencies. So far projects have been approved for Manipur, Tripura, Meghalaya and Arunachal Pradesh.

(Source: <https://www.technotexindia.in/indiantechnicaltextileindustry.html>)

New Products Make Flame Resistant Fabric Market Dynamic

Newer, evolved products being launched every now and then have served to make the flame resistant and retardant fabrics market highly dynamic, according to a recent report. Research and development centres are seen expending significant sums to come up with more cutting-edge flame resistant and retardant fabrics using new types of materials.

The trend of launching new products is expected to drive up the estimated valuation of the market to \$ 7.3 billion by 2026-end, according to a research study on Flame Resistant and Retardant Fabric Market by Fact.MR. The report also projects the market to rise at a steady 6.9 per cent CAGR between 2017 and 2026.

Flame resistant and retardant fabric are employed for manufacturing furnishing, apparel, and protective garments for application in various industrial sectors including chemical, military, mining, infrastructure & construction, and oil & gas. Stringent regulations regarding industrial safety that maintain workplace safety and govern worker protection norms have been fuelling demand for flame resistant and retardant fabric.



Currently, some of the companies that hold a sway over the flame resistant and retardant fabrics market are Koninklijke Ten Cate NV (TenCate), PBI Performance Products, Inc, and Kaneka Corporation. They are entering into partnerships and collaborations for offering high-quality flame resistant and retardant fabrics and extending their market outreach. They are making workwear, military, and industrial protective fabrics in collaboration with one another and leveraging latest technologies too, to produce more sophisticated flame resistant and retardant fabrics.

The flame resistant and retardant fabrics are seeing massive uptake for making industrial protective clothing. They are particularly useful for workers working in high temperatures. Flame resistant and retardant fabrics also protect them from direct exposure to flames. The oil and gas sector at present is driving most of the demand in the flame resistant and retardant fabrics market. This is because of the risky nature of the job sites where a lot many accidents occur and also the proliferation of onshore and offshore oil and gas exploration. Other sectors fuelling sales in the flame resistant and retardant fabrics market comprise of the military, firefighting, and mining industries, adds Fact. MR.

Europe currently holds a dominant share in the global flame resistant and retardant fabrics market, with respect to both revenue and volume. Robust demand for a wide range of products, to be used in the region's high-growth and well-established transportation industry, is a key factor propelling the flame resistant and retardant fabrics market in Europe. Germany and Italy are main drivers of the flame resistant and retardant fabrics market in Europe owing to high demand for flame retardant and resistant fabrics from the end-use industries such as automotive. (KD)

(Source:<https://www.technicaltextile.net/news/new-products-make-flame-resistant-fabric-market-dynamic-244160.html>)

BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Prospectus, including the information contained in the section titled “Risk Factors” on page no. 9 of the Draft Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Accounting Standard set forth in the Draft Prospectus.

COMPANY BACKGROUND

Our Company was incorporated as “Shubham Polyspin Private Limited” at Ahmedabad on March 12, 2012, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Shubham Polyspin Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated July 24, 2018 was issued by the Registrar of Companies, (RoC) Ahmedabad.

One of our Promoter-Director Mr. Anil Somani started a company called Shubham Tex-O-Pack Private Limited which is engaged in HDPE/PP woven polybags. In the year 2010, Mr. Ankit Somani son of Mr. Anil Somani, joined the business of his father to gain the experience and understand the intricacy of said industry. After gaining an experience of 3 years in production, planning and sales, it was decided to diversify the products and enter into a more futuristic product having applications in various upcoming and existing industries. Mr. Ankit Somani promoter director of our company inspired from his father decided to start a new business which can be run on autonomous mode.

In the year 2012, Our Promoter Directors attended the Plast India event at Delhi and met Mr. Rajkumar Lohia (Chairman of Lohia Corp Limited), a company which is renowned worldwide (source: <http://www.lohiagroup.com/contact>) in making plastic packaging machineries. During the discussion with Mr. Lohia about the new and upcoming product in the industry and scope of the product in the next 5 years, he suggested our promoters to choose Multifilament yarn as a new product. Moreover, Lohia technical team also helped us to understand the product, machines and consumer industry of the Multifilament yarn. Multifilament yarn is the main component to be used in stitching of woven bags, manufacturing of geotextiles and filter fabrics as well as webbings. Multifilament Yarns enabled the bag manufacturer to switch to auto bag making machines which further reduces labour dependency and achieve defect free and time bound production.

After studying and understanding the technical viability of the Polypropylene (PP) multifilament yarn industry, our promoter director decided to commence the manufacturing unit of PP multifilament yarn. In the year 2013, our promoters zeroed on Spin Draw Wind Line Machinery from Lohia Corp having monthly capacity of 50 MT. Spin-Draw-Wind Lines for polypropylene multifilament yarn offer compact and flexible solutions for varied applications. The machine is capable of producing medium to high tenacity air intermingled yarns for sewing threads, webbings & slings, braids & ropes and a variety of technical textiles. Moreover, we had taken premises admeasuring approx 4800 Square feet area at Block no. 95/3, Shed No. C2 & C3, Trimul Industrial Estate, Vadsar Village, Gandhinagar, on rental basis. Further we had arranged project term loan sanctioned from Bank for purchasing and installing Spin Draw Wind Line Machine.

After the installation of our first machine, our products were well received in market and demand was increasing day by day due to modernization of Woven Bag Production process. To cater the increasing demand of our products we planned to add one more plant in the month of May, 2014 of similar capacity of 50 MT/ per month thus aggregating to 100 MT/ per month.

Initially the promoters had made a strategic decision of selling 100% of our products in the state of Gujarat. However later backed with increased production capacity and an experienced marketing team, we expanded our sales to nearby states like Rajasthan, Madhya Pradesh & Maharashtra and also ventured in Export Markets. In a period of few years, we penetrated deeply in these markets and expanded to a huge customer base.

With deep penetration in local markets and looking forward to increase our export markets our Promoter envisioned to set up an ultra modern production facility. For this production facility land was acquired at Village Borisana (Taluka-Kadi) in May 2015 admeasuring area of 5009 sq. mtrs. The land purchased was later developed by constructing a Factory Shed admeasuring approximated 2800.00 sq.mtrs. along with Staff Quarters and Administrative Building. The promoters further decided to add 2 more Spin Draw Line Machines from Lohia Corp Ltd, hence increasing the total capacity of the company to 200 MT per month. Further old plants from rented premises were shifted to the new production site and all the 4 plants were fully operational by August 2016. We also manufacture on Job Work basis and get our products manufactured on Job Work basis. We also manufacture on Job Work basis and get our products manufactured on Job Work basis.

With a monthly production capacity of 200 MT, the promoters also focused to penetrate in countries like Belgium, Uganda, Zimbabwe, Africa, Poland, Italy, Turkey, Katar, Srilanka, Bangladesh, Tanzania, Nigeria, Madagascar and Kenya.

The products of the company were well received in export markets and recently the company purchased 5th machine having installed capacity of 50 MT/per month. The said machine was fully operational from July, 2018 and currently the total combined capacity of the company is 250 MT/per month.

OUR PRODUCTS

Polypropylene multifilament yarn (twisted and air intermingled yarn)
 Shubhlon bag closing threads
 PP webbings & narrow woven fabrics

All the products of the company are marketed under the Trade Name **SHUBLON™**

1. POLYPROPYLENE MULTIFILAMENT YARN (TWISTED AND AIR INTERMINGLED YARN)

Polypropylene multifilament yarns comprise a great member of parallel filaments which are in no way tied together. It is used for making various sizes of rope which have more strength and abrasion, resistant for general use.

Polypropylene (PP) is a thermoplastic “addition polymer” made from the combination of propylene monomers. It is used in a variety of applications to include packaging for consumer products, plastic parts for various industries including the automotive industry, special devices like living hinges, and textiles. Today it is manufactured around the world and is used in a rapidly growing variety of applications. Polypropylene is an essential material in most fields and industries imaginable -home goods, textiles, medical and laboratory equipment and the list goes on and on. Polypropylene has shown excellent resistance to organic solvents and degreasing agents as well as electrolytic attack. Polypropylene produces fewer solid wastes by weight than polyethylene terephthalate (PET), polystyrene (PS) or polyvinylchloride (PVC). It also produces significantly less CO2 equivalents by weight than PET, PS or PVC.



Technical Specifications

| | |
|----------------|--|
| Denier range | 700 D to 4800 D |
| Types of Yarn | 1. Twisted 2. Air-intermingled |
| Tenacity (GPD) | 6 + + GPD (+/-5%) |
| Elongation | 24-26 (+/- 5%) |
| Colour | Based on customer requirement |
| Package Size | 5kg package approx. or as per customer requirement |

Advantages

- ✓ High breaking load (kgf)
- ✓ Color fastness
- ✓ Customized as per customer requirement
- ✓ Safe to use
- ✓ UV protected
- ✓ Chemical, rot and mildew resistance
- ✓ Smooth running on manual & automatic machines

Application

- ✓ Narrow Woven Fabric (PP Webbings/Tapes)
- ✓ Stitching & Webbing of FIBC Bag.
- ✓ Bottom Closing of Woven Sack.
- ✓ Mouth Closing of Woven Sack.
- ✓ Ropes
- ✓ Geo-Textile Woven Fabric
- ✓ Industrial Fabric & Bags

- ✓ Increase in packaging efficiency
- ✓ Cost effective stitching
- ✓ Can replace nylon or polyester

2. SHUBHLON BAG CLOSING THREADS



Company offers bag closing threads/industrial thread with their trademark product “SHUBHLON”.

Technical Specifications

- ✓ 1000 meters approximate length in Y cone (200 gms in gross weight).
- ✓ Different package sizes from 1kg-5kg
- ✓ Color as per customer requirement

Advantages

- ✓ High breaking load (kgf)
- ✓ Color fastness
- ✓ Customized as per customer requirement
- ✓ Safe to use
- ✓ UV protected
- ✓ Chemical, rot and mildew resistance
- ✓ Smooth running on manual & automatic machines
- ✓ Increase in packaging efficiency
- ✓ Cost effective stitching
- ✓ Can replace nylon or polyester

Application

| | |
|--------------------------|---------------------------|
| ✓ Fertilizer industries | ✓ Rice mills |
| ✓ Port contractors | ✓ Cattle feed industries |
| ✓ Granules manufacturers | ✓ Flour mills |
| ✓ Salt processors | ✓ Grain packers |
| ✓ Cement industries | ✓ Chemical industries |
| ✓ Carpet industry | ✓ Paper bag manufacturers |

3. PP WEBBINGS & NARROW WOVEN FABRICS

PP Yarns are closely knit to form Narrow Woven fabrics. Webbing is a strong, narrow, fabric woven closely as a flat strip or tube of varying width and fibres often used in place of rope. Company manufactures PP Webbing & Narrow Woven Fabrics using advanced & cutting edge technology to deliver superior quality products to our clients. PP Webbing are made from finest quality of PP Multifilament yarn manufactured in-house hence made from 100% virgin material providing us an edge to deliver good quality material to our customers.

Technical Specification

- ✓ 100% Polypropylene Yarn
- ✓ Twists about 60tpm
- ✓ Intermingled:-25-35ppm
- ✓ Yarn Count (66-90)/(45-120) Filaments
- ✓ Denier Range-300D-1200D
- ✓ Regular Tenacity-3.5-4.0 GPD (Zero Twist as well as high twist).
- ✓ Can be customized as per customer requirement
- ✓ Made from 100 % virgin material
- ✓ Available in all vibrant colors



- ✓ Available in wide range of attractive designs
 - ✓ Available in different roll sizes & thickness as per customer requirement
- Industry specific packaging standards

Advantages

- ✓ Optimum Breaking Strength
- ✓ Excellent Durability
- ✓ Versatility
- ✓ Low Stretch
- ✓ Good abrasion resistance
- ✓ Excellent mildew & rot resistance
- ✓ Excellent UV resistance
- ✓ Easier to clean than Nylon
- ✓ Excellent choice for outdoor applications

Application

1. Sports Goods

- ✓ Rock Climbing & Parachuting: nylon webbing is used in slings, runners, harnesses, anchor extensions and quickdraws, parachute harnesses.
- ✓ Hiking & Camping Gear: backpacks, straps, load adjusters and tent adjusters.
- ✓ Slack Lines: use flat or tubular 1-inch(2.5 cm) webbing , or flat 2-inch (5 cm)webbing
- ✓ White Water Rafting Boats: use tubular webbing for bow lines, stern lines, "chicken lines" (around the exterior perimeter of the boat), equipment tie down, or floor lacing for self- bailing rafts. Rafters call tubular webbing "hoopie" or "hoopi". Rafters also use camstraps with flat webbing for equipment tie down.

2. Automotive & Racing Safety

- ✓ Car Seat Belts, Safety Belts Helmets: used by racers. The HANS device uses webbing tethers to attach the helmet to the collar, and the Hutchens device is made almost entirely of webbing.
- ✓ Suspension Webs, Tapes Racing Harnesses: racing cars, planes have 2, 3, 4, 5, 6, 7 point seat belts.
- ✓ Window Nets, Helmet Nets: window nets to prevent objects from entering driver's compartment are constructed of polypropylene webbing, helmet nets used to reduce side load in sprint cars.
- ✓ Straps On Cover, Spare Wheel Straps Towing

3. Bags

- ✓ Sports Bags : Ruck Sack, Ski Bags, Bowling Bags, Gear Bags, Scuba Diver Bags, Shoe Bags
- ✓ Casual Bags : School Bags, Back Packs, Duffel Bags
- ✓ Outdoor Bags: Collar Bags, Lunch Bags, New Carter Bags, luggage bags
- ✓ Promotional Bags: water bags, tool bags
- ✓ High tenacity Jumbo Bags.

4. HEALTHCARE

- ✓ surgery, adjusting straps, wrist braces

5. AEROSPACE

- ✓ Anti-Static Webbing
- ✓ Non Inflammable Webbing
- ✓ Special Aramid Webbing

6. FURNITURE

- ✓ Couches & chairs use webbing, garden chairs, tents, furniture belts.

7. TRANSPORTATION

- ✓ Load Securing: Tie downs, tie straps, cargo straps, E-track straps, cargo, hoist straps, tow ropes, winch straps, cargo nets, and dozens of other items are used by thousands of shipping and trucking companies every day.

APPLICATION OF PP MULTIFILAMENT YARN

FILTRATION FABRICS



GEO TEXTILE FABRICS



BOTTOM AND TOP CLOSING AND WOVEN SACKS



FIBC & BULK BAGS STITCHING AND WEBBING



ROPES & BRAIDS



FISHING NETS



NARROW WOVEN FABRICS (PP WEBBINGS & TAPES) PP MATS



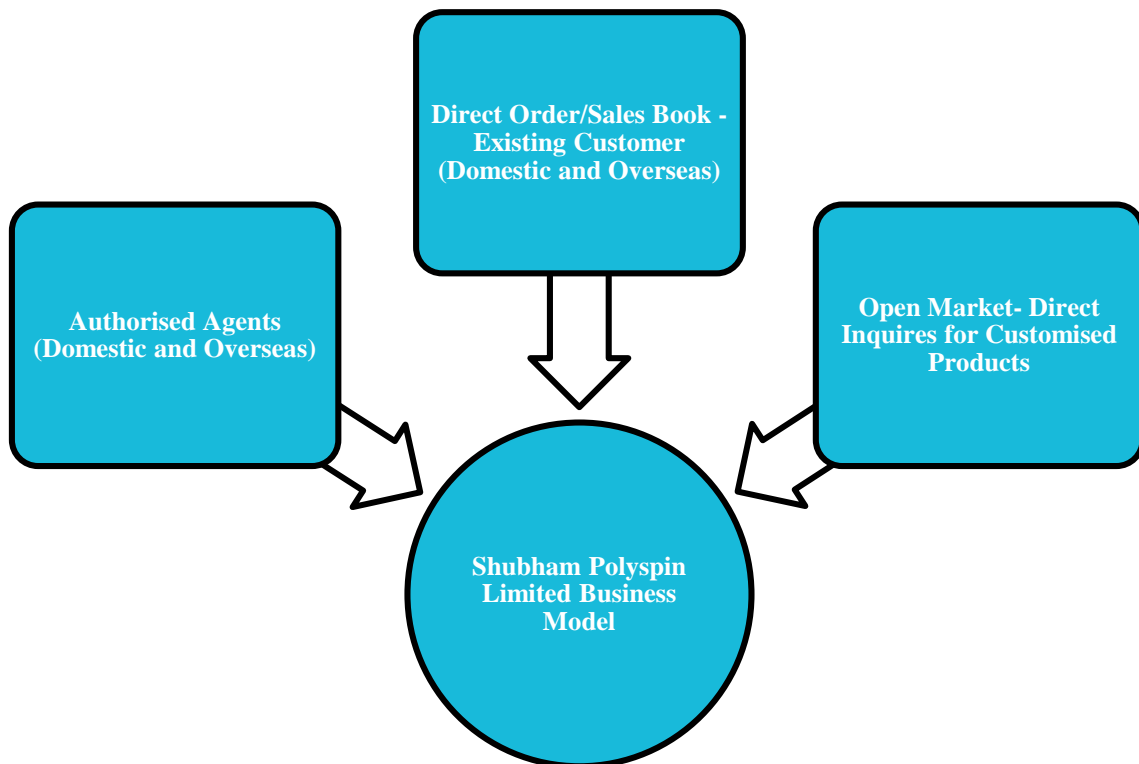
OUR LOCATION

| Usage | Location | Area |
|---|--|--------------|
| Factory – Manufacturing Unit, Warehouse & Registered Office | Block No. 748, Saket Industrial Estate, Near Kaneriya Oil Mill, Kadi-Borisana, Mehsana – 382 728 | 5009 Sq. Mt. |

OUR BUSINESS MODEL

With our unsurpassed quality of yarns and excellent client relations, we have created our name globally. We have received a brand acceptance within India and abroad through our exports. Majority of our sales are absorbed by our existing customers both domestic as well as global. Moreover our marketing strategy involves around developing new clients by approaching them through various online e commerce websites.

We sell our products directly to the end users in India and directly and through merchandise in Overseas. Further we also get the regular inquires from the open market manufacturer of various products namely fertilizer, chemical, FIBC Bags, Narrow Woven Belts, etc. We also receive direct inquiries from customers for customized products.



OUR BUSINESS STRATEGY

To continues increase our Installed Capacity

We have commenced our production in the year 2013, with an installed capacity of manufacturing of Polypropylene (PP) Multifilament yarn upto 50MT/per month. Due to change in technology in the yarn end user industry used in stitching of woven bags, resulting into increase in demand of our product so subsequently in the F.Y. 2014-15, we have increased our installed capacity upto 100 MT/per month. Later on during FY 2016-18, we have increase our installed capacity upto 200 MT/per month. In the current financial year 2018-19, we have increase our installed capacity upto 250 MT/per month.

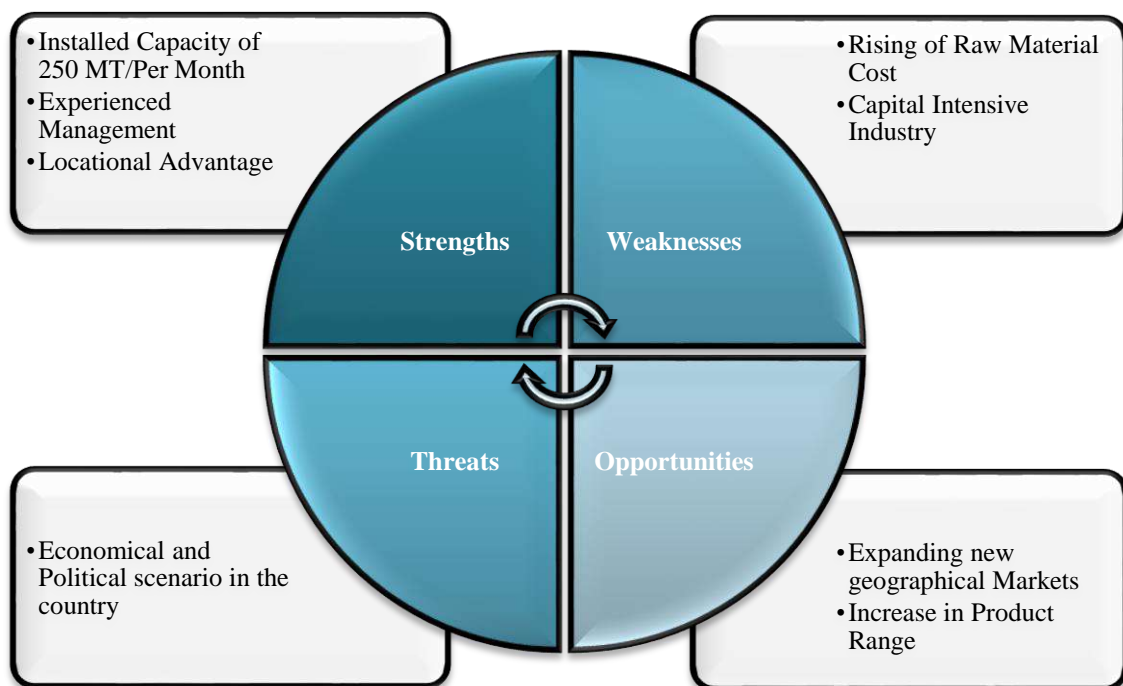
To increase brand visibility

The market for our products is highly competitive on account of both the organized players. Our market goodwill is significantly dependent on brand recall and our ability to compete effectively would significantly depend on our ability to promote and develop our brand. We propose to increase the number of customers in order to broaden our reach. We believe greater visibility of our brand would ensure brand retention in the minds of the customers and would in effect further enhance our reach.

Enhancing our customer base

Our Company is customer satisfaction oriented company and strives to maintain good relationship with the customers. We have expanded our sales with a strategy of supplying our products to wide range of customer base instead of supplying bulk material to few customers. We continuously strive to increase the sales in the existing states and countries and customers as well. However we aim at widening our distribution network so as to enhance our geographical presence and consequently our customer base. We also aim to take the maximum advantage of the location of the company by reaching to the un-explored or less explored sea faced areas of the country which has direct connectivity to the current location of the company.

SWOT ANALYSIS



OUR COMPETITIVE STRENGTHS

Location of the Factory (Manufacturing Unit) and installed Capacity

Our Company and factory is situated at well-developed industrial area, with all the infrastructure facilities and both skilled and unskilled manpower are available at competitive cost. Moreover, our factory location is having easy access to National and a state highway as a result transportation of goods we manufacture and procure becomes hassle free. At

present, our company is having manufacturing of Polypropylene (PP) Multifilament yarn upto 250 MT/Per month and we have reach to this level within a short span of 5-6 years.

Optimal Utilization of Resources

Our company constantly endeavours to improve our production process, skill up gradation of workers, modernization of plant and machineries to optimize the utilization of resources. We regularly analyse our material procurement policy and manufacturing process to de-bottle neck the grey areas and take corrective measures for smooth and efficient working thereby putting resources to optimal use.

Management and Employee expertise

Our promoters have been actively involved in the business from continues personal attention. Further, our promoter Directors has adequate and rich experience in our business. The team comprises of personnel having operational and business development experience. We believe that our management experience and their understanding of our industry will enable us to continue to take advantage of both current and future market opportunities. Our Company is having a number of experienced staff. There is a good communication system between all the levels of management level i.e. from top level management to bottom level. Our Management's experience and knowledge enables us in addressing and mitigating various risks inherent in our business, including competition, the global economic crisis related effects and fluctuations in the prices.

Quality Assurance

Our Company is dedicated towards quality of our products which has helped us to maintain long term relations with our customers and has also facilitated us to entrench with new customers. Our Quality Assurance department ensures our products comply with quality standards. We perform tests and inspections on finished products and then supply them to the customers. Each consignment from our company is passed through tests and inspections as a part of our commitment to quality.

CAPACITY AND CAPACITY UTILIZATION

Details of Capacity and Capacity utilization in manufacture of all kinds of Polypropylene Multifilament Yarn and Fabrics for previous three years and projections for next three years are as follows:-

Installed Capacity and Capacity Utilization

(in Metric Ton/Per Annum)

| EXISTING | | | | | | |
|---|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Products | F.Y. 2015-16 | | F.Y. 2016-17 | | F.Y. 2017-18 | |
| | Installed Capacity | Capacity Utilization | Installed Capacity | Capacity Utilization | Installed Capacity | Capacity Utilization |
| All Kinds of Polypropylene Multifilament Yarn/Fabrics | 1200 | 1091.57 | 1900 | 1604.94 | 2400 | 2122.03 |
| In % | | 90.96 | | 84.47 | | 88.42 |

(in Metric Ton/Per Annum)

| PROPOSED/PROJECTED | | | | | | |
|---|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Products | F.Y. 2018-19 | | F.Y. 2019-20 | | F.Y. 2020-21 | |
| | Installed Capacity | Capacity Utilization | Installed Capacity | Capacity Utilization | Installed Capacity | Capacity Utilization |
| All Kinds of Polypropylene Multifilament Yarn/Fabrics | 2850 | 2420 | 3000 | 2700 | 3000 | 2700 |
| In % | | 88.00 | | 90.00 | | 90.00 |

Notes: - In F.Y. 2015-16, there were two machines installed having manufacturing capacity of 600 Mt/per annum each, aggregating to 1200 MT/per annum. Further in August 2016, two additional new machines were installed having manufacturing capacity of 50Mt/per month per machine, resulting into increased in our installed capacity by 700 MT for remaining period of 7 months in the FY 2016-17. In the F.Y. 2017-18, total 4 machines were operated at an optimum utilization installed capacity of 2400 MT/ per annum.

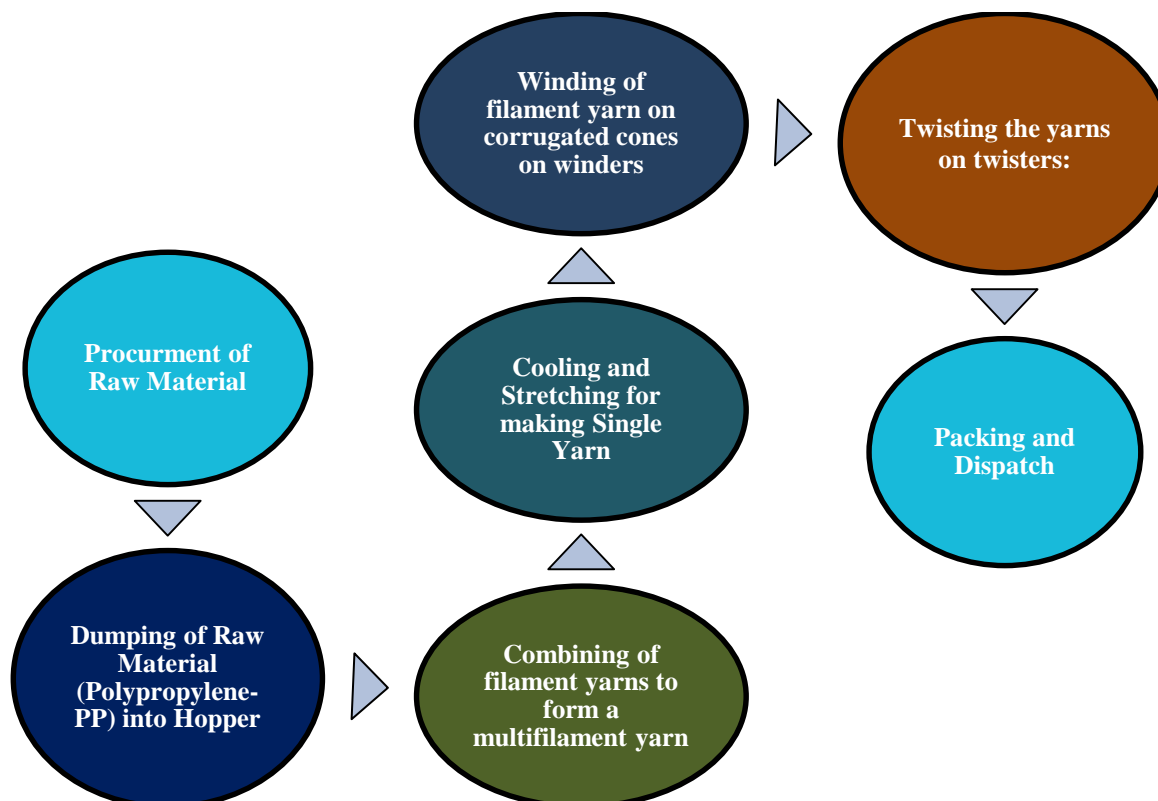
In Current F.Y. 2018-19, one new machine is installed, which will increase our capacity Utilization by 50 MT/ per month. Therefore our installed capacity in F.Y. 2018-19 will be 2750 MT (600 MT/Per month from existing 4 machines operating

for 12 months and 50 MT per month for remaining 9 months from new machine installed). In the F.Y. 2019-20 and F.Y. 2020-21, total 5 machines will be operated at an optimum utilization installed capacity of 3000 MT/ per annum.

Moreover, above capacity utilization also includes manufacturing of multifilament Yarn/Fabrics manufactured by us on job work basis.

MANUFACTURING PROCESS

1. Air Intermingled Yarn/Twisted Yarn



i. Procurement of Raw Material

Our manufacturing process starts from procurement of Raw Material. Polypropylene (PP) Granules is the main raw material for manufacturing our product. The raw material is a by-product of coal and this requires no quality assurances.

ii. Dumping of Raw Material, Melting of Raw Material (PP) Granules into extruder and flowing out from Sprinters

The PP granules are put into the hopper of the extruder unit and melted in the cylinder section of the extruder unit. This process converts the granules into monofilaments. Spinning is a process for creating polymer fibers.

iii. Combining of filament yarns to form a multifilament yarn

A certain diameter of the monofilament in the extruder is passed through nozzle plate. It is a specialized form of extrusion that uses a spinneret to form multiple continuous filaments.

iv. Cooling and Stretching for making Single Yarn

The monofilament is stretched so as to achieve required strength and diameter. The same filament is cooled down at quenching bath where chilled water is provided by the chilling unit of the extruder.

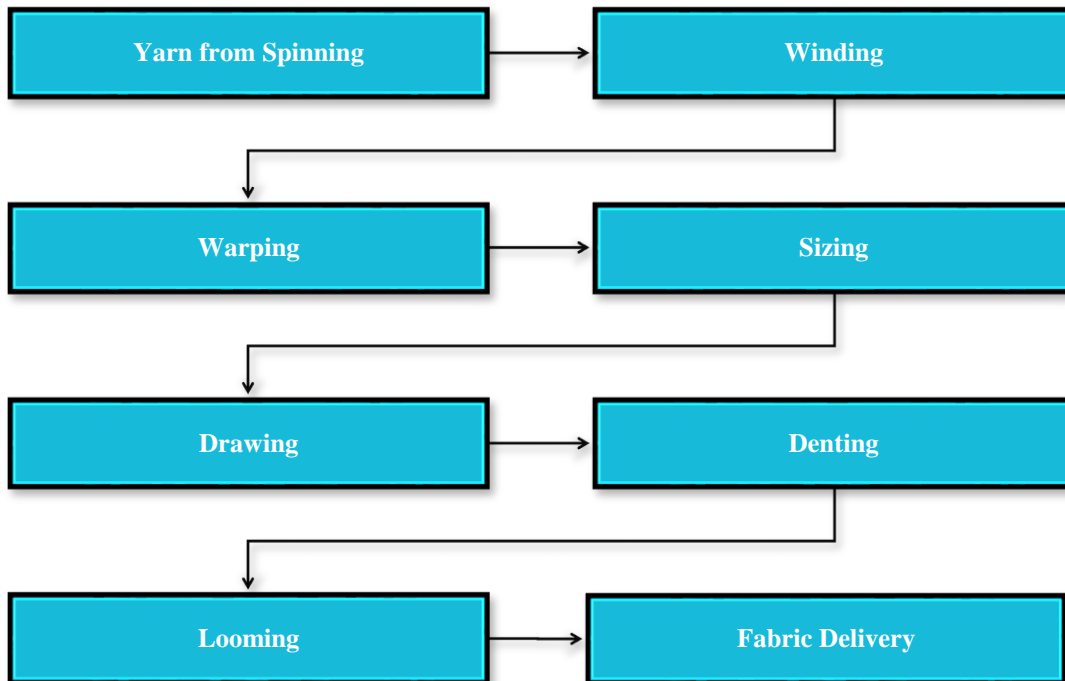
v. Winding of filament yarn on corrugated cones on winders and twisting the yarns on twister

Combining of filaments yarn to make multifilament yarn. The cooled single yarns are combined and twisted as per the requirements of the thickness required to make one multifilament twisted yarn for end users.

vi. Packing

Upon final inspection by the officials the prepared multifilament spools/bobbins are packed for shipping to the customers. Finally the final package of the yarn would be made according to the required specification and size of the package.

2. PP Webbing & Narrow Woven Fabrics



i. Yarn from spinning

Weaving is a complicated process. First step of weaving is receiving yarn from spinning as several packages. Several types of yarns with different count are used in weaving. Both natural and man-made type yarns can be used. Man made fibers like polyester, polypropylene, spandex, lycra, nylon etc. are also used.

ii. Winding

Yarn package supplied from spinning are not suitable for weaving. Because, weaving process requires heavy length of yarns which are not found in yarn package. Generally yarn package contains 300m-450m length of yarn where 2000 m-5000m length of yarn required for weaving. In the winding process yarn from several packages are holds together in a big package.

iii. Warping:

Warping is the process of winding the many packages of yarn into a warping beam or weavers beam. Basically according to this weavers beam actually displayed the warp way of a fabric.

iv. Sizing

It is the application of protective coating surface upon the surface of yarn. Generally Loom gives jerky motion on the yarn. Yarn has limited amount of strength against the jerky motion. So Sizing gives extra strength to the yarn. Sizing ingredients include starch, softening agent, anti-mildew agent, moth proofing agent, etc.

v. Drawing

It is the process of passing the yarn into the heald eye of heald wire. A special type of needle is used to be passed the yarn into the heald eye.

vi. Denting

It is the process of passing the yarn into the middle space of two adjacent dent of reed. A special type of needle used in this process.

vii. Looming

It is the process of placing the heald frame, sized beam, reed in the loom to perform the weaving process.

viii. Fabric Delivery

Yarns passed from weaving zone are turned into the fabric finally. Fabric is rolled on a roller which is called fabric or takes up roller.

PLANT & MACHINERY

Our Manufacturing unit is equipped with all required machinery to achieve targeted production with various models of Spin Draw Wind Line for PP Multifilament Yarn, Compact water Chiller, Air Chiller, Air Compressor, Air receiver, Computerized Tensile Testing Machine, Stratch Wrapping Machine, Distribution transformer, Weaving Machine etc.

TECHNOLOGY

Our Company is having 5 Spin Draw Wind Line Machines of different models for manufacturing of PP Multifilament Yarn/Fabrics. These types of Wind Line Machines use Spin & Draw technology to manufacture PP Multifilament Yarn.

COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any Company.

MARKETING AND DISTRIBUTION ARRANGEMENT

Our success lies in the strength of our relationship with our customers who have been associated with our company for continues period. We get the orders from our customers who are domestic as well as overseas based. Our promoters – Directors-Mr. Ankit Somani who looks after the domestic sales and Mr. Akshay Somani who looks after the overseas sales of our company. Our Promoter Director through their experience and good relations with customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company.

In India, our customers are located in the state of Gujarat, Rajasthan, Maharastra, Daman and Dadranagar Haveli, Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Utrakhand and Hyderabad.

We export our products directly and through Merchandise exports in many countries namely Belgium, Poland, Italy, Turkey, Qatar, Oman, Sri-lanka, Bangladesh, Tanzania, Ethiopia, South Africa, Nigeria, Madagascar, Kenya, East Africa, Zimbabwe, Malawia etc.

COMPETITION

We operate in a highly competitive market and there are large numbers of players in organized sector. Our competition depends on the products being offered by various companies in the organized segment besides several other factors like quality, price, and timely delivery. Competition emerges not only from small but also from big regional and National and international players. Our experience in this business has enabled us to provide quality products in response to customer's demand for best quality. Moreover, there are minimal entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition.

UTILITIES AND INFRASTRUCTURE FACILITIES LIKE RAW MATERIAL, WATER ETC.

RAW MATERIAL

The major raw material used in our manufacturing process is Polypropylene (PP) Granules, Colour Master batches, UV Master Batches, Spin finish Oil etc.

1. POLYPROPYLENE

Polypropylene (PP) is a petroleum-based thermoplastic polymer belonging to the olefin family, obtained from the polymerization of propylene. The multifilament polypropylene yarn is produced from an isotactic polypropylene homopolymer. It is produced via chain-growth polymerization from the monomer propylene. Polypropylene belongs to the group of polyolefins and is partially crystalline and non-polar. Its properties are similar to polyethylene, but it is slightly harder and more heat resistant. It is a white, mechanically rugged material, and has a high chemical resistance. Polypropylene is the second- most widely produced commodity plastic (after polyethylene) and is often used in packaging and labeling.



Characteristics

- ✓ High tensile strength and hard-wearing
- ✓ 100% virgin resin
- ✓ Abrasion resistance
- ✓ Causes no pilling effect
- ✓ Anti – static
- ✓ Discourages mildew and fungi growth
- ✓ 100% recyclable and non-polluting
- ✓ Wide range of bright, solid colors
- ✓ Dirt-resistant
- ✓ Adhesion
- ✓ Minimum thermal conductivity

2. UV MASTER BATCHES



Plastics are sensitive to degradation by UV Light and must be therefore protected when exposed to solar radiation. The extent and rate of this degradation is influenced by various parameters such as for example, climatic conditions and thickness of the part, polymer type or the presence of other additives.

UV Masterbatches protects the polymers against UV degradation, avoid discolouration and improves the processibility. UV stabilizer Masterbatches do not absorb the harmful UV radiations, thus assures good performance and stabilize the mechanical properties and elongation.

3. SPIN FINISH OIL

It is a combination of lubricants and surfactants to facilitate processing of Polypropylene yarn.

Characteristics:-

- ✓ Offers high level of antistatic protection.
- ✓ Extremely low fibre / Metal & Fibre / Ceramic friction.
- ✓ Has an excellent wetting power for homogeneous film formation.
- ✓ Good thermal Stability.
- ✓ No hot roll deposits.
- ✓ Suitable for rolling and nozzle lubrication and be used as Neat.



4. COLOUR MASTER BATCHES

Masterbatch is a concentrated mixture of pigments and/or additives encapsulated during a heat process into a carrier resin which is then cooled and cut into a granular shape. Masterbatch allows the processor to colour raw polymer economically during the plastics manufacturing process.



Procurement/Availability

At present, our Company is purchasing raw material from various states like Gujarat, Punjab, Haryana, Maharashtra etc. We also source our raw materials from international markets wherever require.

WATER

Our water requirement is fulfilled through boring facility. Hence water requirement at our manufacturing unit is met from own bore well. We do not require ample quantity of water, as we reuse the water upto optimum level.

POWER

We require power supply to manufacturing our products and to meet our requirement, we have been sanctioned load of 475 KVA from UGVCL (Uttar Gujarat Vij Company Limited). We have not installed generator for power back up.

LOGISTIC

We presently do not own any trucks. We exclusively rely on third party transporters for procurement of Raw Materials from suppliers and delivery of our products to our customers.

PACKING

First, our product is packed with a PVC shrink film from an automatic shrink-wrap machine and is placed in a strong carton. The carton is then wrapped with the automatic box wrapping machine to protect the product in transit.

HUMAN RESOURCES

Human resource is an asset to any industry. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the Plastic Industry. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. As on July 31, 2018, we have the total strength of 31 Employees excluding Contract Labors in various departments. The details of which is given below:

| Sr. No. | Particulars | Employees excluding Contract Labors |
|-------------------|--------------------------------|-------------------------------------|
| 1. | Admin Staff | 5 |
| Production | | |
| 2. | Skilled Workers/Employees | 8 |
| 3. | Semi-Skilled Workers/Employees | 13 |
| 4. | Unskilled Workers | 6 |
| | Total | 31 |

We have given work order to Mr. Vipul Suryakant Trivedi on May 1, 2018 for F.Y. 2018-19 for supply of Contract Labours as per our requirement.

Further, we have not experienced any strikes, work stoppages, labor disputes or actions by or with our employees, and we have cordial relationship with our employees.



DETAILS OF IMMOVABLE PROPERTY

The Details of the Owned Property are given below:

| Sr. No. | Description of Property | Name of the Seller | Date of Execution of Agreement | Consideration (₹ in Lakh) | Area | Usage |
|---------|--|--|--------------------------------|---------------------------|---------------|---|
| 1. | Land at Block No. 748, Saket Industrial Estate, Near Kaneriya Oil Mill, Kadi-Borisana, Mehsana – 382 728 | Mr. Saileshbhai Kantilal Mistry and Mr. Kanakrai Ranchodbhai Thesiya | May 07, 2015 | 45.00 | 5009 Sq. Mt. | Factory – Manufacturing Unit, Warehouse & Registered Office |
| 2. | Non Agricultural Land adjacent to Block No. 745, Near Kaneriya Oil Mill, Kadi-Borisana, Mehsana- 382728 | Mr. Saileshbhai Kantilal Mistry | March 10, 2016 | 6.00 | 7.50 Mt. Road | Road adjacent to Factory- Manufacturing Unit, Warehouse and Registered office |

INTELLECTUAL PROPERTY

Our Company has made following application for Intellectual Property:

| Sr. No. | Authority Granting Approval | Application No. | Applicable Laws/Rules | Nature of Approvals* | Status |
|---------|--|-------------------------------|-----------------------|---|---|
| 1. | Trade Mark Registry, Government of India | 3787040 dated March 23, 2018* | Trade Marks Act, 1999 | Use of following Mark as Registered Trademark under Class 23 - Yarns and threads included in Class 23  | Accepted & Advertised in Journal No: 1848 dated May 7, 2018 |
| 2. | Trade Mark Registry, Government of India | 3787039 dated March 23, 2018* | Trade Marks Act, 1999 | Use of following Mark as Registered Trademark under Class 23 - Yarns and threads included in Class 23  | Objected |

* Application made in the name of “Shubham Polyspin Private Limited”.

INDEBTEDNESS

Our Company is availing following Facilities from the following Bank/NBFC, details of which are as under:

(₹ in Lakh)

| Sr. No. | Name of the Lender | Sanction Amount | Purpose | Outstanding Amount as on June 30, 2018^ | Interest / Commission Rate per annum | Security | Availiability / Period & Repayment Schedule |
|---------|--------------------|------------------------------|--|---|--------------------------------------|---|---|
| 1. | Yes Bank Limited | Facility No. 1:- 200.00 Lakh | Letter of Credit (Sub Limit – Buyers Credit) which shall be used for Working Capital Requirements / imports of Raw Materials | 152.00 | 1.25% Commission Plus Taxes | 1) Exclusive Hypothecation charge on Current Assets and Movable Fixed Assets both present and future. 2) Equitable mortgage on Industrial Factory Land and Building at Block No. 748/P Saket Industrial Estate Kadi Thol Road, Mouje Borisana, Tal: Kadi | 1 Year and repayment on demand |

| Sr. No. | Name of the Lender | Sanction Amount | Purpose | Outstanding Amount as on June 30, 2018^ | Interest / Commission Rate per annum | Security | Availability / Period & Repayment Schedule |
|---------|--------------------|------------------------------|--|---|--|---|---|
| | | Facility No. 2:- 210.00 Lakh | Term Loan for Purchase of Plant & Machinery. | 203.55 | Interest:- Prevaling 1 Year MCLR plus 0.50 % | Dist: Mehsana. 3) Equitable Mortgagage of Residential Flat No. E/33, 3rd Floor, Amaltas Flats, Kanji Maharaj Co-op. Society Limited, V-6, B/h Fun Republic, Satellite, Ahmedabad. | 60 Months, Equated Monthly Installment of ₹ 4.37 Lakh |
| | | Facility No.3:- 40.70 Lakh | Term Loan for Purchase of Machinery | 27.14 | Interest:- Prevaling 1 Year MCLR plus 0.50% | 4) Equitable mortgagage of Residential Villa No. D-001, The North Park, Jaspur/ Dantalli Village, Ta Kalol, Dist. Gandhinagar (Property is cross collateralized with Home loan exposure of Anil Somani and Family members - INR 16 MM). 5) Negative Lien on Industrial Factory and Land located at revenue survey no. 415/2, block no. 554 paiki 2 moujeVadsar, TalukaKalol, Dist. Mehsana. | 17 Months, Equated Monthly Installment of ₹ 2.59 Lakh |
| | | Facility No. 4:- 93.40 Lakh | Term Loan for Purchase of Plant & Machinery. | 79.68 | Interest:- Prevaling 1 Year MCLR plus 0.50% | 6) Negative Lien on Residential Flat No. B/3/3, FF, 3rd Floor, Parth Indraprasth Tower, Near Drive in Road Vastrapur, Ahmedabad. | 38 Months, Equated Monthly Installment of ₹ 2.76 Lakh |
| | | Facility No. 5:- 261.30 Lakh | Term Loan for Purchase of Plant & Machinery. | 241.79 | Interest:- Prevaling 1 Year MCLR plus 0.50% | 7) Negative Lien on Industrial Plot no. 25, Green Industrial Park (GIP), Jadcheria, Polepally, Telangana. | 56 Months, Equated Monthly Installment of ₹ 6.00 Lakh |
| | | Facility No. 6:- 630.00 Lakh | Cash Credit- The Facility shall be used for Working Capital Requirements (Sub Limits – Post Shipment Credit and Export Packing Credit) | 600.52 | Interest:- Prevaling 1 Year MCLR plus 0.50% | 8) Negative Lien on residential Plot No. 815, Sector R. MahalaxmiNagar.Pipal a Kumar, MR-11 road, Indore. 9) Negative Lien on Commercial Shop No. 6, Ratnadeep Apartment, Ground floor, Plot No. A-1, Indira Complex, AB Road, Indore. | 12 Months subject to repayable on demand/annual review. |
| | | | | | | Unconditional and Irrevocable Personal | |

| Sr. No. | Name of the Lender | Sanction Amount | Purpose | Outstanding Amount as on June 30, 2018 [^] | Interest / Commission Rate per annum | Security | Availability / Period & Repayment Schedule |
|---------|-----------------------|-----------------|-----------------|---|--------------------------------------|--|---|
| | | | | | | Guarantee of Mr. Akshay Somani, Mr. Anil Somani, Mr. Ankit Somani, Mr. Nitin Somani, Ms. Sangita Somani and Ms. Preeti Somani till the end of tenor of the facility. | |
| 2. | Magma Fincorp Limited | ₹ 30.00 | Working Capital | 18.94 | 15.00% | NA | Payable in 36 monthly instalments of ₹ 1.04 Lakh/- commencing from May 2017 |
| 3. | HDFC Bank Limited | ₹ 31.80 Lakh | Car Loan | 21.90 | 9.25% | Hypothecation of Car | Repayable in 60 monthly instalments of ₹ 0.66 Lakh/- commencing from October 2016 |

[^] As per Balance Confirmation given by the Yes Bank Limited, except for bifurcation Term Loans whose outstanding amount have been taken as per books of accounts (Unaudited) of the Company. Further, the outstanding amounts of Magma Fincorp Limited - working capital loan and HDFC Bank Limited – Car Loan are on the basis of books of accounts (Unaudited) of the Company.

INSURANCE

Presently, our Company has taken following Insurance Policies;

| Sr. No. | Name of the Insurance Company | Name of the Insured | Type of policy | Validity Period | Description of cover under the policy | Policy No. | Sum Assured (₹ in Lakh) | Premium Paid (in ₹) (including taxes) |
|---------|--|--------------------------|---------------------------------------|--|---|--------------------|-------------------------|---------------------------------------|
| 1. | The Oriental Insurance Company Limited | Shubham Polyspin Limited | Standard Fire & Special Perils Policy | From 00:00 November 24, 2017 to Midnight November 23, 2018 | Block No 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Thol Kadi Road, Borisana, Taluka - Kadi, Distt- Gandhinagar, Kadi, Gujarat – 382 715 - Factory Building, Compound Wall, Drainage, Stock, Plant & Machinery Furniture, Fixtures & Fittings – Coverage – STFI, Fire Basic and Earth Quake. | 131101/11/2018/617 | 216.93 | 32,315 |

| Sr. No. | Name of the Insurer Company | Name of the Insured | Type of policy | Validity Period | Description of cover under the policy | Policy No. | Sum Assured (₹ in Lakh) | Premium Paid (in ₹) (including taxes) |
|---------|--|----------------------------------|---------------------------------------|--|---|-------------------|-------------------------|---------------------------------------|
| 2. | Tata AIG General Insurance Company Limited | Shubham Polyspin Limited | Workmens Compensation | 00:00hrs of July 14, 2018 to Midnight of July 13, 2019 | Workens Copesation Policy for employees working at Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Thor Kadi Road, Village Borisana, Talkadi – 382 715. | 2250012368 | As per Policy | 21,061 |
| 3. | The Oriental Insurance Company Limited | Shubham Polyspin Limited | Electronic Equipment Insurance Policy | From 00:00 on May 18, 2018 to Midnight of May 17, 2019 | Insurance of following Equipments kept at Block No. 748, Saket Industrial Estate, Near Kaneria Oil Mill, Thor Kadi Road, Village Borisana, Tal: Kadi, Dist: Mehsana, Gujarat-382715:- Equipment Details: Spin Draw - Wind Line For PP Multifilament Yarn, Make - Lohia Starlinger, Model - "Lofil 80/8", Sr No - 20, Plant No - 2 Equipment Details: Spin Draw - Wind Line For PP Multifilament Yarn, Make - Lohia Starlinger, Model - "Lofil 80/8", Sr No - 19, Plant N. | 132000/44/2019/20 | 873.38 | 93,061 |
| 4. | The Oriental Insurance Company Limited | Shubham Polyspin Private Limited | Machinery Breakdown Insurance Policy | From 00:00 on January 25, 2018 to Midnight of January 24, 2019 | Machinery:- Spin Draw 2012 Wind Line For PP Multifilament Yarn Model, Compact Water Chiller, Air Compresso, Air Receiver, Tensile Tester 50 Kgs & Transfor situated at Block No. 748, Saket Industrial Estate, Near Kaneriya Oil Mill,Thol Kadi Road-Borisana, | 131101/44/2018/62 | 379.33 | 54,832 |
| 5. | The Oriental Insurance Company Limited | Shubham Polyspin Private Limited | Machinery Breakdown Insurance Policy | From 00:00 on May 18, 2018 to Midnight of May 17, 2019 | Following Machineries placed at Block No 748, Saket Industrial Estate,Nr. Kaneria Oil Mill, Thol Kadi Road,Borisana, Taluka - Kadi, Distt - Mehsana, Gujarat – 382 715 1.KAESER COMPRESSOR TYPE SERIES BSD 3 BSD 75 T SFC 400V/3 /50HZ, Serial No of Machine - 3148 2.Chiller, Make - NU VU CONAIR A 40 SK PT, Serial No - 1995/05/2016, 3.Batch Mixer, Make - NU VU CONAIR, Model No - TB100/4, Serial No - 465-4-17 | 132000/44/2019/19 | 81.11 | 22,793 |

EXPORTS & EXPORTS OBLIGATIONS

We had an Export Obligation of US \$ 611899.59 i.e., 6 times of the duty saved on Import of Capital Goods on Free on Board basis for a Period of 6 years (Block Year 1st to 4th Year-50% and 5th to 6th year-50% vide EPCG Scheme Authorization No. 0830007655/03/12/00 (Custom Notification 016/2015 dated April 1, 2015 which we have completed in the F.Y. 2017-18. As on the date of this Draft Prospectus, our Company does not have any Export Obligation.

For the details of Export Sales of our Company, please refer to “Annexure – 22.2” under the Chapter titled “Auditors Report and Financial Information of Our Company” on page no. 150 of this Draft Prospectus.

KEY INDUSTRY REGULATIONS AND POLICIES

The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain.

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page no. 172 of this Draft Prospectus. The following description is a summary of the few relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India.

STATUTORY LEGISLATIONS

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational and financial aspects of companies. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made a way to enactment of Companies Act, 2013. The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections 110 have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration payable to the directors by the companies is provided under Part II of the said schedule.

Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWPPR Act”) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines “Sexual Harassment” to include any unwelcome sexually determined behavior (whether directly or by implication). “Workplace” under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an “Internal Complaints Committee” at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a “Local Complaint Committee” at the district level to

investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

Regulation of Foreign Investment in India

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) which prohibit, restrict and regulate, transfer or issue of securities to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the “automatic route” within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits provided under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (“MSMED Act”) seeks to facilitate the development of micro, small and medium enterprises. The Union Cabinet has approved amendment to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for classifying MSMEs from current investment in plant and machinery criteria to annual turnover criteria. The purpose of amendment to Section 7 of MSMED Act, 2006 is to encourage ease of doing business, make MSME classification norms growth oriented and align them to new indirect tax regime revolving around Goods & Services Tax (GST). This will define units producing goods and rendering services in terms of annual turnover. It will pave the way for increased direct and indirect employment in the MSE sector of the country.

- a. where the annual turnover does not exceed Rupees Five Crore, an enterprise shall be regarded as a micro enterprise;
- b. where the annual turnover is more than Rupees Five Crore but does not exceed Rupees Seventy Five Crore, an enterprise shall be regarded as a small enterprise;
- c. where the annual turnover is more than Rupees Seventy Five Crore but does not exceed Rupees Two Hundred Fifty Crore, an enterprise shall be regarded as a medium enterprise

The amendment empowers Central Government to vary turnover limits, provided not exceeding thrice the limits specified in Section 7 of MSMED Act by issuing notification.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. The submission of the memorandum by micro and small and medium enterprises engaged in rendering services is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities in accordance with Section 8 of the MSMED Act. The MSMED Act ensures that the buyer of goods or services makes payment for the goods supplied or services rendered to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods or services. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (“Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

TAX RELATED LEGISLATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment

Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Professional Tax

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

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as the Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. A destination based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

GST has replaced the following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling. It is applicable on all goods except for alcohol for human consumption and five petroleum products.

GST council has mandated the implementation of e way bill under GST from April 1, 2018 for interstate movement and from 1st June 2018 for Intra- state Movement of Goods. The E-Way Bill under the GST Regime replaces the Way Bill which was required under the VAT Regime for the movement of Goods. The way bill under the VAT Regime was a physical document which was required to be generated for the movement of goods. The physical document under the VAT Regime has now been replaced with an electronically generated document in the GST Regime.

EWay Bill is an electronic way bill for movement of goods which can be generated on the e-way Bill Portal. Transport of goods of more than ₹ 50,000 (Single Invoice/bill/delivery challan) in value in a vehicle cannot be made by a registered person without an e-way bill. When an e-way bill is generated a unique e-way bill number (EBN) is allocated and is available to the supplier, recipient, and the transporter.

A Registered person or the transporter may choose to generate and carry e-way bill even if the value of goods is less than ₹ 50,000.

The requirement of e-way bills for movement of goods within the States /UT will start from 15th April 2018 in a phased manner by grouping the States/UT into four lots. GST Council in the coming days shall announce this arrangement.

Value Added Tax (“VAT”)

The levy of Sales Tax within the state is governed by the Value Added Tax Act and Rules 2008 (“the VAT Act”) of the respective states. The VAT Act has addressed the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

Central Sales Tax Act, 1956

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

GENERAL LEGISLATIONS

Gujarat Industrial Policy, 2015

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support will be provided to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

Legal Metrology Act, 2009

An act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Section 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec. 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral.

Every reference standard, secondary standard and working standard shall be verified and stamped in such manner and after payment of such fee as may be prescribed. Every reference standard, secondary standard and working standard which is not verified and stamped in accordance with the provisions shall not be deemed to be a valid standard. The provision relating to Use and Prohibition provides that no person shall, in relation to any goods, things or service quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or issue or exhibit any price list, invoice, cash memo or other document, or prepare or publish any advertisement, poster or other document, or indicate the net quantity of a pre-packaged commodity, or express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration.

No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. No license to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Controller shall issue a license in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

The Sale of Goods Act, 1930 (Sale of Goods)

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

The Arbitration and Conciliation Act, 1996

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

The Competition Act, 2002

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

The Consumer Protection Act, 1986 (COPRA)

The Consumer Protection Act, 1986 (COPRA) 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. COPRA 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 COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

The Indian Contract Act, 1872

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

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

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

The Indian Stamp Act, 1899

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

The Registration Act, 1908

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

The Specific Relief Act, 1963

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. "Specific performance" means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

OTHER APPLICABLE LAWS

Industrial Disputes Act, 1947 ("ID Act") and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made there under provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed

amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lockouts, closures, lay-offs and retrenchment.

The Factories Act, 1948

The Factories Act, 1948 (Factories Act) aims at regulating labour employed in factories. A factory is defined as any premises, whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power, or is ordinarily so carried on. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules there under rests on the occupier, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952, as amended from time to time ("EPF Act"), mandates provisioning for provident fund, family pension fund and deposit linked insurance in factories and other establishments for the benefits of the employees. The EPF Act applies to all establishments engaged in any industry specified in Schedule I (of the EPF Act) that employ 20 (twenty) or more persons and to any other establishment employing 20 (twenty) or more persons or class of such establishments which the Central Government may specify by a notification.

Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit Linked Insurance Scheme" and "the Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to funds mentioned above, in the manner specified in the EPF Act. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments require to be made under the above-mentioned schemes.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965, as amended from time to time ("Bonus Act"), provides for payment of bonus based on profit or based on production or productivity, to persons employed in factories or in establishments employing 20 (twenty) or more persons on any day during an accounting year. It ensures that a minimum bonus is payable to every employee regardless of whether the employer has any allocable surplus in the accounting year in which the bonus is payable. Under the Bonus Act, the employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus equal to 8.33% of the salary or wage earned by the employee during the accounting year or Rupees Hundred, whichever is higher. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. Allocable bonus is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company.

The Apprentices Act, 1961

The Apprentices Act, 1961, as amended (the “Apprentices Act”) regulates and controls the programme of training of apprentices and matters connected there with. The term “Apprentice” means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. “Apprenticeship Training” means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

The Workmen Compensation Act, 1923 (“WCA”)

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

The Equal Remuneration Act, 1976

The Equal Remuneration Act, 1976 as amended from time to time (“Remuneration Act”) aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/ her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature.

In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

The Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961, as amended from time to time (“Maternity Benefit Act”), is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits. The Maternity Benefit (Amendment) Bill 2016 (the “Amendment Bill”), an amendment to the Maternity Benefit Act, 1961 (“Act”), was passed in Lok Sabha on March 09, 2017, in Rajya Sabha on August 11, 2016 and received an assent from President of India on March 27, 2017.

It applies to all establishments which are factories, mines, plantations, Government establishments, shops and establishments under the relevant applicable legislations, or any other establishment as may be notified by the Central Government. As per the Act, to be eligible for maternity benefit, a woman must have been working as an employee in an establishment for a period of at least 80 days in the past 12 months. In amended act, the period of paid maternity leave (“Maternity Benefit”) that a woman employee is entitled to has been increased to 26 (twenty six) weeks. Further, the Act previously allowed pregnant women to avail Maternity Benefit for only 6 (six) weeks prior to the date of expected delivery. Now, this period is increased to 8 (eight) weeks. Maternity benefit of 26 weeks can be extended to women who are already under maternity leave at the time of enforcement of this Amendment.

Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three months.

Industrial Employment (Standing orders) Act, 1946

The employers of industrial establishments are required to define with sufficient precision the conditions of employment and to make the said conditions known to the workmen. The standing orders are certified by the labour commissioner.

Other Laws

In addition to the above, our Company is also required to comply with the provisions other applicable statutes imposed by the Central or the State for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as “Shubham Polyspin Private Limited” at Ahmedabad on March 12, 2012, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Shubham Polyspin Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated July 24, 2018 was issued by the Registrar of Companies, (RoC) Ahmedabad. The Corporate Identification Number of our Company is U17120GJ2012PLC069319.

HISTORY

One of our Promoter-Director Mr. Anil Somani started a company called Shubham Tex-O-Pack Private Limited which is engaged in HDPE/PP woven polybags. In the year 2010, Mr. Ankit Somani son of Mr. Anil Somani, joined the business of his father to gain the experience and understand the intricacy of said industry. After gaining an experience of 3 years in production, planning and sales, it was decided to diversify the products and enter into a more futuristic product having applications in various upcoming and existing industries. Mr. Ankit Somani promoter director of our company inspired from his father decided to start a new business which can be run on autonomous mode.

In the year 2012, Our Promoter Directors attended the Plast India event at Delhi and met Mr. Rajkumar Lohia (Chairman of Lohia Corp Limited), a company which is renowned worldwide (source: <http://www.lohiagroup.com/contact>) in making plastic packaging machineries. During the discussion with Mr. Lohia about the new and upcoming product in the industry and scope of the product in the next 5 years, he suggested our promoters to choose Multifilament yarn as a new product. Moreover, Lohia technical team also helped us to understand the product, machines and consumer industry of the Multifilament yarn. Multifilament yarn is the main component to be used in stitching of woven bags, manufacturing of geotextiles and filter fabrics as well as webbings. Multifilament Yarns enabled the bag manufacturer to switch to auto bag making machines which further reduces labour dependency and achieve defect free and time bound production.

After studying and understanding the technical viability of the Polypropylene (PP) multifilament yarn industry, our promoter director decided to commence the manufacturing unit of PP multifilament yarn. In the year 2013, our promoters zeroed on Spin Draw Wind Line Machinery from Lohia Corp having monthly capacity of 50 MT. Spin-Draw-Wind Lines for polypropylene multifilament yarn offer compact and flexible solutions for varied applications. The machine is capable of producing medium to high tenacity air intermingled yarns for sewing threads, webbings & slings, braids & ropes and a variety of technical textiles. Moreover, we had taken premises admeasuring approx 4800 Square feet area at Block no. 95/3, Shed No. C2 & C3, Trimul Industrial Estate, Vadsar Village, Gandhinagar, on rental basis. Further we had arranged project term loan sanctioned from Bank for purchasing and installing Spin Draw Wind Line Machine.

After the installation of our first machine, our products were well received in market and demand was increasing day by day due to modernization of Woven Bag Production process. To cater the increasing demand of our products we planned to add one more plant in the month of May, 2014 of similar capacity of 50 MT/ per month thus aggregating to 100 MT/ per month.

Initially the promoters had made a strategic decision of selling 100% of our products in the state of Gujarat. However later backed with increased production capacity and an experienced marketing team, we expanded our sales to nearby states like Rajasthan, Madhya Pradesh & Maharashtra and also ventured in Export Markets. In a period of few years, we penetrated deeply in these markets and expanded to a huge customer base.

With deep penetration in local markets and looking forward to increase our export markets our Promoter envisioned to set up an ultra modern production facility. For this production facility land was acquired at Village Borisana (Taluka-Kadi) in May 2015 admeasuring area of 5009 sq. mtrs. The land purchased was later developed by constructing a Factory Shed admeasuring approximated 2800.00 sq.mtrs. along with Staff Quarters and Administrative Building. The promoters further decided to add 2 more Spin Draw Line Machines from Lohia Corp Ltd, hence increasing the total capacity of the company to 200 MT per month. Further old plants from rented premises were shifted to the new production site and all the 4 plants were fully operational by August 2016. We also manufacture on Job Work basis and get our products manufactured on Job Work basis.

With a monthly production capacity of 200 MT, the promoters also focused to penetrate in countries like Belgium, Uganda, Zimbabwe, Africa, Poland, Italy, Turkey, Katar, Srilanka, Bangladesh, Tanzania, Nigeria, Madagascar and Kenya.

The products of the company were well received in export markets and recently the company purchased 5th machine having installed capacity of 50 MT/per month. The said machine was fully operational from July, 2018 and currently the total combined capacity of the company is 250 MT/per month.

REGISTERED OFFICE:

Registered Office of the Company is presently situated at Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Jetpura- Basantpura Road, Village Borisana Taluka Kadi Mahesana – 382 728, Gujarat, India. The Registered office of our Company has been changed from time to time since incorporation, details of which are given hereunder:

| Date of Change of Registered office | Registered Office | |
|-------------------------------------|--|---|
| On Incorporation | B/3/3, Parth Indra Prastha Tower, B/h Govt. Colony, Nr Gurukul, Vastrapur, Ahmedabad – 380 054 | |
| | Changed from | Changed to |
| July 10, 2018 | B/3/3, Parth Indra Prastha Tower, B/h Govt. Colony, Nr Gurukul, Vastrapur, Ahmedabad – 380 054 | Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Jetpura- Basantpura Road, Village Borisana Taluka Kadi Mahesana – 382 728, Gujarat, India |

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION**Change of Name**

| Date of Approval by RoC | Particulars |
|-------------------------|--|
| On Incorporation | Shubham Polyspin Private Limited |
| July 24, 2018 | Consequent upon conversion from Private Limited Company to Public Limited Company, the name of the Company was changed from “Shubham Polyspin Private Limited” to “Shubham Polyspin Limited” |

Authorized Capital

The following changes have been made in the Authorized Capital of our Company since its inception:

| Date of Amendment | Particulars |
|-------------------|--|
| On Incorporation | Authorized Capital of ₹ 5.00 Lakh divided into 50000 Equity Shares of ₹ 10/- |
| March 31, 2013 | Increased in authorized capital from ₹ 5.00 Lakh divided in to 50000 Equity Shares of ₹ 10/- each to ₹ 101.00 Lakh divided in to 10000 Ordinary Equity Shares of ₹ 10/- each; 200000 Class A Equity Shares of ₹ 10/- each and 800000 Class B Equity Shares of ₹ 10/- each. |
| February 11, 2014 | Increased in authorized capital from ₹ 101.00 Lakh divided in to 10000 Ordinary Equity Shares of ₹ 10/- each; 200000 Class A Equity Shares of ₹ 10/- each and 800000 Class B Equity Shares of ₹ 10/- each to ₹ 201.00 Lakh divided in to 10000 Ordinary Equity Shares of ₹ 10/- each; 600000 Class A Equity Shares of ₹ 10/- each and 1400000 Class B Equity Shares of ₹ 10/- each. |
| May 11, 2015 | Increased in authorized capital from ₹ 201.00 Lakh divided in to 10000 Ordinary Equity Shares of ₹ 10/- each; 600000 Class A Equity Shares of ₹ 10/- each and 1400000 Class B Equity Shares of ₹ 10/- each to ₹ 401.00 Lakh divided in to 2010000 Ordinary Equity Shares of ₹ 10/- each; 600000 Class A Equity Shares of ₹ 10/- each and 1400000 Class B Equity Shares of ₹ 10/- each. |
| May 25, 2018 | Renamed 2010000 Ordinary Equity Shares of ₹ 10/- each; 600000 Class A Equity Shares of ₹ 10/- each and 1400000 Class B Equity Shares of ₹ 10/- each aggregating to ₹ 401.00 Lakh as ₹ 401.00 Lakh divided in to 4010000 Equity Shares of ₹ 10/- each. |
| August 4, 2018 | Increased in authorized capital from ₹ 401.00 Lakh divided in to 4010000 Equity Shares of ₹ 10/- each to ₹ 601.00 Lakh divided in to 6010000 Equity Shares of ₹ 10/- each. |

MAJOR EVENTS

The major events of the company since its incorporation in the particular year are as under:

| Year | Events |
|------|--|
| 2012 | Our Company was incorporated as Shubham Polyspin Private Limited |

| | |
|------|--|
| 2013 | Our company has taken premises at Block no. 95/3, Shed No. C2 &C3, Trimul Industrial Estate, Vadsar Village, Gandhinagar, on rental basis which is admeasuring area of approx 4800 Square feet to commence the manufacturing unit of PP multifilament yarn having installed capacity of 50 MT per month. |
| 2015 | Our Company has acquired land at Village Borisana (Taluka-Kadi) in May, 2015 for setting up manufacturing unit. |
| 2016 | We shifted two machines capacity of 100 MT/ per month from rented premises – Village: Vadsar to our owned premises purchased at Village Borisana and shifted our plant in August 2016. |
| 2018 | Our Company got converted in to Public Limited Company. |

OTHER DETAILS REGARDING OUR COMPANY

For information on our activities, services, products, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled “Business Overview”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page nos. 69, 65 and 162 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled “Our Management” and “Capital Structure” beginning on page nos. 100 and 38 respectively of this Draft Prospectus.

RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, please see the section entitled “Capital Structure” and “Auditors Report and Financial Information of our Company” on page nos. 38 and 126 respectively of this Draft Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

STRIKES AND LOCK-OUTS

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

SUBSIDIARIES/HOLDINGS OF THE COMPANY

Our Company does not have any holding company and nor it has any subsidiary company/(ies).

RAISING OF CAPITAL IN FORM OF EQUITY

For details of increase in equity capital of our company please refer section “Capital Structure” on page no. 38 of this Draft Prospectus.

INJUNCTION AND RESTRAINING ORDER

Our company is not under any injunction or restraining order, as on date of filing of this Draft Prospectus.

MANAGERIAL COMPETENCE

For managerial Competence, please refer to the section “Our management” on Page no. 100 of this Draft Prospectus.

ACQUISITIONS / AMALGAMATIONS / MERGERS/ REVALUATION OF ASSETS

There has been no mergers, amalgamation, revaluation of assets etc. with respect to our Company took place since its Incorporation.

TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY

As on the date of filing of this Draft Prospectus, the total numbers of equity shareholders are 7 (Seven). For more details on the shareholding of the members, please see the section titled “Capital Structure” at page no. 38 of this Draft Prospectus.

MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. Our Company has not changed its Object since its Incorporation. The objects for which our Company is established are:

To carry on in India or elsewhere the business of manufacturing, producing, processing, sizing, drawing, crimping, twisting, texturising, blending, mixing, spinning, purchasing all kind of natural and man-made fibres, fibre yarns, fibre cords, cotton yarns, polyester staple fibres, jute, wool, silk, core, art silk, nylon fibres, plastic fabrics, synthetic and other fibrous materials, cloths, furnishing materials, readymade garments, apparels, carpets, multi filament poly propline/ PP yarn and such other materials.

CHANGES IN THE ACTIVITIES OF OUR COMPANY

There have been no changes in the activities of our Company during the preceding five years from the date of this Draft Prospectus which may have had a material effect on our profit or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

SHAREHOLDERS' AGREEMENTS

Our Company has not entered into any shareholders agreement as on the date of filing this Draft Prospectus.

OTHER AGREEMENTS

As on the date of this Draft Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Draft Prospectus.

JOINT VENTURE AGREEMENTS

Our Company has not entered into any joint venture agreement as on the date of this Draft Prospectus.

COLLABORATION AGREEMENTS

Our Company has not entered into any collaboration agreement as on the date of this Draft Prospectus.

STRATEGIC PARTNERS

Our Company is not having any strategic partner as on the date of filing this Draft Prospectus.

FINANCIAL PARTNERS

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Prospectus.

OUR MANAGEMENT

In accordance with our Articles of Association, our Company is required to have not less than 3 (three) directors and not more than 15 (fifteen) directors. Our Company currently has 6 (Six) directors on our Board out of which 2 (Two) are Executive Directors, 1 (One) Non-Executive Director and 3 (Three) are Independent Directors.

| | |
|--------------------------------|--|
| 1. Mr. Anil Devkishan Somani | Chairman & Managing Director |
| 2. Mr. Ankit Anil Somani | Managing Director |
| 3. Mr. Akshay Anilbhai Somani | Non-Executive Director and Chief Financial Officer |
| 4. Mr. Kush Prafulbhai Kalaria | Independent Director |
| 5. Dr. Urva Pragnesh Patel | Independent Director |
| 6. Ms. Radhika Anand Chandak | Independent Director |

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Prospectus:-

| MR. ANIL DEVKISHAN SOMANI | |
|-----------------------------------|--|
| Father's Name | Mr. Devkishan Somani |
| Address | B/4/3/3, Parth Indra Prasth Tower, Near Gurukul, Vastrapur, Ahmedabad – 380 052. |
| Age | 56 years |
| Designation | Chairman & Managing Director |
| Status | Executive & Non Independent |
| DIN | 06373210 |
| Occupation | Business |
| Nationality | Indian |
| Qualification | B.Com (Bachelor of Commerce) from Jodhpur University. |
| No. of Years of Experience | Professional Experience of more than 18 Years as a Chief Executive Officer of our Group concern, i.e. Shubham Tex-O-Pack Private Limited. |
| Date of Appointment | Appointed as a Managing Director w.e.f. August 04, 2018 for 3 Years. Then after appointed as Chairman of Company w.e.f August 11, 2018. |
| Term of Appointment | Holds office for a period of 3 years w.e.f. August 4, 2018, appointment not liable for retire by rotations. |
| Other Directorships | Sparebiz Enterprises Private Limited |
| MR. ANKIT ANIL SOMANI | |
| Father's Name | Mr. Anilbhai Devkishan Somani |
| Address | B/3/3 Parth Indra Prastha Tower, B/H Govt. Colony, Gurukul, Vastrapur, Ahmedabad – 380 054 |
| Age | 29 Years |
| Designation | Managing Director |
| Status | Executive & Non Independent |
| DIN | 05211800 |
| Occupation | Business |
| Nationality | Indian |
| Qualification | Master of Business Administration in Finance and Investment Management from Prifysgol Cymru University of Wales |
| No. of Years of Experience | Experience of 6 years being a Director of the Company |
| Date of Appointment | Initial: He was appointed as a Non-Executive Director Cum Promoter (Member) of the Company. Further he was appointed as a Chairman of the Company w.e.f. March 12, 2012. Present: He is re-designated as a Managing Director Cum Promoter (Member) of the Company w.e.f. August 04, 2018. |
| Term of Appointment | Holds office for a period of 3 years w.e.f. August 04, 2018, appointment liable for retirement by rotations. |
| Other Directorships | - |
| MR. AKSHAY ANILBHAI SOMANI | |
| Father's Name | Mr. Anilbhai Devkishan Somani |

| | |
|-----------------------------------|--|
| Address | B/3/3 Parth Indra Prastha Tower, B/H Govt. Colony, Gurukul, Vastrapur, Ahmedabad – 380 054 |
| Age | 25 Years |
| Designation | Non-Executive Director and CFO |
| Status | Non-Executive & Non Independent |
| DIN | 05244214 |
| Occupation | Business |
| Nationality | Indian |
| Qualification | Master of Business Administration [M.B.A. (Master of Business Administration) in Family Business Management] from Nirma University |
| No. of Years of Experience | Overall Experience of 4 years as he is handling Exports of the Company since 2014 |
| Date of Appointment | Initial: He was appointed as an Additional Non-Executive Director Cum Promoter (Member) of the Company on July 10, 2018. Present: His appointment was regularized in Annual General Meeting held on August 4, 2018. Further he was appointed as Chief Financial Officer of the Company w.e.f. August 11, 2018. Therefore now he is Non-Executive Director Cum Promoter (Member) cum Chief Financial Officer of the Company. |
| Term of Appointment | Liabile for retirement by rotations. |
| Other Directorships | 1. Shubham Texplast Private Limited 2. Sparebiz Enterprises Private Limited |

MR. KUSH PRAFULBHAI KALARIA

| | |
|-----------------------------------|---|
| Father's Name | Mr. Praful Babulal Kalaria |
| Address | 81, Vishwaketu Tower 1, Bodakdev, Near Premchandnagar, Ahmedabad – 380 054 |
| Age | 30 Years |
| Designation | Independent Director |
| Status | Non-Executive & Independent |
| DIN | 08086553 |
| Occupation | Business |
| Nationality | Indian |
| Qualification | Bachelor of Pharmacy from Gujarat University and Master of Business Administration from James Cook University, Singapore. |
| No. of Years of Experience | Experience of 6 Years in the field of Finance & International Marketing. Currently he is engaged in Business of Dyes and Chemicals being a Partner in Bipin Industries. |
| Date of Appointment | Appointed as Non-Executive Independent Director w.e.f. August 04, 2018 |
| Term of Appointment | Holds office for a period of Five years, i.e. Up to the date of Annual General to be held in the year 2023. |
| Other Directorships | -- |

MRS. RADHIKA ANAND CHANDAK

| | |
|-----------------------------------|---|
| Father's Name | Rameshwar Totala |
| Address | At Post – Devargaon, Tal – Chandwad, Nashik, Maharashtra – 422 001 |
| Age | 26 Years |
| Designation | Independent Director |
| Status | Non-Executive & Independent |
| DIN | 07904592 |
| Occupation | Service |
| Nationality | Indian |
| Qualification | Bachelor of Science from Dr. Babasaheb Ambedkar Marathwada University. |
| No. of Years of Experience | Two years of Experience in General Administration, General administrative, MIS, marketing |
| Date of Appointment | Appointed as a Woman Independent Director w.e.f. August 04, 2018. |

| | |
|-----------------------------------|---|
| Term of Appointment | Holds office for a period of Five years, ie. upto the date of Annual General to be held in the year 2023. |
| Other Directorships | - |
| DR. URVA PRAGNESH PATEL | |
| Father's Name | Mr. Pragnesh Vadilal Patel |
| Address | 10, Suvarnavilla Bunglows, Nr. Satyam Bunglows, Opp. Ayana Complex, Thaltej, Ahmedabad – 380 054 |
| Age | 25 Years |
| Designation | Independent Director |
| Status | Non-Executive and Independent |
| DIN | 08193058 |
| Occupation | Professional |
| Nationality | Indian |
| Qualification | Bachelor of Medicine and Bachelor of Surgery from Sardar Patel University, Gujarat. |
| No. of Years of Experience | He has an Experience of 1 Year in the field of Medical Science. |
| Date of Appointment | Appointed as an Independent Director w.e.f. August 04, 2018. |
| Term of Appointment | Holds office for a period of Five years, i.e. up to the date of Annual General to be held in the year 2023. |
| Other Directorships | -- |

As on the date of the Draft Prospectus;

- A. None of the above mentioned Directors are on the RBI List of willful defaulters.
- B. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filing of this Draft Prospectus.
- E. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- F. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

RELATIONSHIP BETWEEN THE DIRECTORS

There is no relationship between any of the Directors of our Company except the following relationship:-

| Name of Director | Designation | Relation |
|---------------------------|---|--|
| Mr. Anil Devkishan Somani | Promoter Cum Chairman & Managing Director | Father of our Promoter Cum Managing Director, Mr. Ankit Anil Somani, |
| | | Father of our Promoter Cum Non-Executive Director Cum Chief Financial Officer, Mr Akshay Anilbhai Somani |
| Mr. Ankit Anil Somani | Managing Director | Son of Our Promoter Cum Chairman & Managing Director, Mr. Anil Devkishan Somani |

| Name of Director | Designation | Relation |
|----------------------------|---|--|
| | | Brother of Our Promoter Cum Non-Executive Director Cum Chief Financial Officer, Mr. Akshay Anilbhai Somani |
| Mr. Akshay Anilbhai Somani | Promoter Cum Non-Executive Director Cum Chief Financial Officer | Son of Our Promoter Cum Chairman & Managing Director, Mr. Anil Devkishan Somani |
| | | Brother of Our Promoter Cum Managing Director, Mr. Ankit Anil Somani |

ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

SERVICE CONTRACTS

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of employment.

BORROWING POWERS OF THE BOARD OF DIRECTORS

The shareholders of the Company, through a special resolution passed at the Extra-Ordinary General Meeting held on July 10, 2018 authorized our Board to borrow monies together with monies already borrowed by us up to ₹ 75 Crores (Rupees Seventy Five Crores Only) even if the aggregate, for the time being, of the paid-up capital of the Company and its free reserves is less than ₹ 75Crores.

BRIEF PROFILE OF OUR DIRECTORS

MR. ANIL DEVKISHAN SOMANI

Mr. Anil Devkishan Somani, aged 56 years is B.com. He is appointed as a Managing Director of the Company for 3 years w.e.f. August 04, 2018. He has a rich experience of more than 35 Years in the family Business with respect to all the aspects and facets of various functions. In Our Company, his scope of work is to handle the secretarial, legal and human resource functions in the Company.

MR. ANKIT ANIL SOMANI

Mr. Ankit Anil Somani, aged 29 years, holds Degree of Master of Business Administration in Finance and Investment Management from Prifysgol Cymbro University of Wales. He was appointed as Promoter Cum Director of the company at the time of Incorporation of the Company and then he is re-designated as Managing Director of the Company w.e.f August 04, 2018. He has an experience of more than 8 years in the family business with respect to production, planning and sales. He is the guiding force behind all the corporate decisions and is responsible for the entire Business operations of the Company since his appointment.

MR. AKSHAY ANILBHAI SOMANI

Mr. Akshay Anilbhai Somani, aged 25 years is a M.B.A. (Master of Business Administration) in Family Business Management from Nirma University by qualification. He was appointed as an Additional Director w.e.f July 10, 2018 and then he was regularized as Director w.e.f. August 04, 2018. Further he is also appointed as Chief Financial Officer of the Company w.e.f August 11, 2018. He has an experience of 5 years in the family Business with respect to all aspects connected with Business. He has got special focus and hands on expertise with respect to all aspects connected with business. Before being appointed as a Director, he was handling Exports of the Company since 2014. Further he is also currently handling other Group Company(s), i.e. Shubham Texplast Private Limited and Sparebiz Enterprises Private Limited being a Director.

Mr. KUSH PRAFULBHAI KALARIA

Mr. Kush Prafulbhai Kalaria, aged 29 Years is appointed as an Independent Director of the Company w.e.f. August 04, 2018. His educational Qualification is Bachelor of Pharmacy from Gujarat University and Master of Business Administration from James Cook University, Singapore Experience of 6 Years in the field of Finance & International Marketing. Currently he is engaged in Business being a Partner in Bipin Industries.

MRS. RADHIKA ANAND CHANDAK

Mrs. Radhika Anand Chandak, aged 26 Years is appointed as a Woman Independent Director of the Company w.e.f. August 04, 2018. Her educational Qualification is Bachelor of Science from Dr. Babasaheb Ambedkar Marathwada University. She has an experience of more than 4 Years in the field of General Administration, Digital Applications, MIS and Marketing etc.

Dr. URVA PRAGNESH PATEL

Dr. Urva Pragnesh Patel, aged 25 Years is appointed as an Independent Director of the Company w.e.f. August 04, 2018. His educational Qualification is Bachelor of Medicine and Bachelor of Surgery from Sardar Patel University, Gujarat. He has an Experience of 1 Year in the field of Medical Science.

COMPENSATION AND BENEFITS TO THE CHAIRMAN CUM MANAGING DIRECTOR, MANAGING DIRECTOR AND EXECUTIVE DIRECTOR ARE AS FOLLOWS

| Name | Mr. Anil Devkishan Somani | Mr. Ankit Anil Somani | Mr. Akshay Anil Somani |
|---|---|---|---|
| Designation | Chairman & Managing Director | Managing Director | Director and Chief Financial Officer |
| Date of Appointment/ Change in Designation | August 04, 2018 | August 04, 2018 | Appointed as Director w.e.f. August 04, 2018 and as Chief Financial Officer w.e.f. August 11, 2018 |
| Period | 3 Years | 3 Years | Director Liable to retire by rotation |
| Salary* | A Salary of ₹ 50,000/- per month with liberty to the Board to increase or decrease the salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act of 2013. | A Salary of ₹ 1,50,000/- per month with liberty to the Board to increase or decrease the salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013. | A Salary of ₹ 1,00,000/- per month with liberty to the Board to increase or decrease the salary within the limits laid down in Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2015 (MBP Rules) as amended from time to time. |
| Bonus | Discretionary bonus as may be decided by Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the appointee, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013. | Discretionary bonus as may be decided by Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the appointee, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013. | Discretionary bonus as may be decided by Remuneration Committee/ Board of Directors, depending upon the performance of the appointee, working of the Company and other relevant factors subject to the ceiling of 100% of the annual salary. |
| Perquisite/Benefits | The Managing Director may be entitled to perquisites including but not limited to the Medical reimbursement, Children education allowance, Leave travel concession, Contribution to | The Managing Director may be entitled to perquisites including but not limited to the Medical reimbursement, Children education allowance, Leave travel concession, Contribution to | The CFO may be paid perquisites including but not limited to the Medical reimbursement, Children education allowance, Leave travel concession, Contribution to P.F., |

| | | | |
|--|--|--|--|
| | P.F., Gratuity, Super Annuation fund, Use of Company's car, Telephone facility etc., as may be decided by the Company from time to time as per Rules applicable to other employees of the Company. | P.F., Gratuity, Super Annuation fund, Use of Company's car, Telephone facility etc., as may be decided by the Company from time to time as per Rules applicable to other employees of the Company. | Gratuity, Super Annuation fund, Use of Company's car with Driver, Telephone/Mobile facility, Club Membership etc., as may be decided by the Board of Directors from time to time in line with the norms applicable to the employees of the Company |
| Compensation/ remuneration paid during the F.Y. 2017-18 | Nil | ₹ 1,25,000/- per month as Director of the Company. | ₹ 1,00,000/- per month, for holding of office of place of profit |

* Salary will be paid for the post of Chief Financial Officer.

SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

Till date Company has not paid any sitting fees to any of the Non-Executive Directors for attending any of the Board or Committee Meetings. The Board of Directors is into discussion to approve and pay sitting fees to Non-Executive Directors for attending any of the Board or Committee Meetings.

SHAREHOLDING OF DIRECTORS

The shareholding of our directors as on the date of this Draft Prospectus is as follows:

| Sr. No. | Name of Directors | No. Equity Shares held | Category/ Status |
|---------|---------------------------|------------------------|-------------------------------|
| 1. | Mr. Anil Devkishan Somani | 1200000 | Executive Non Independent |
| 2. | Mr. Ankit Anil Somani | 1827000 | Executive Non Independent |
| 3. | Mr. Akshay Anil Somani | 780000 | Non-Executive Non Independent |

INTEREST OF DIRECTORS

All the non-executive directors of the company may be deemed to be interested to the extent of fees, payable to them for attending meetings of the Board or Committee if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company.

Except as stated under chapter titled "Related Party Transaction" on page no. 124 of this Draft Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Prospectus in which our directors are interested directly or indirectly.

CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

| Name of Director | Date of Event | Nature of Event | Reason for the changes in the board |
|--------------------------|----------------|-----------------|---|
| Mrs. Pooja Ankit Somani | July 10,2018 | Appointment | Appointed as Additional Director w.e.f July 10, 2018. |
| Mr. Akshay Somani | July 10,2018 | Appointment | Appointed as Additional Director w.e.f. July 10, 2018. |
| Mrs. Preeti Nitin Somani | August 11,2018 | Resignation | Resigned from Directorship w.e.f. August 11, 2018 |
| Mrs. Pooja Ankit Somani | August 4,2018 | Cessation | Cessation w.e.f August 4, 2018 as she was appointed as Additional Director of the Company |

| | | | |
|-----------------------------|---------------|-----------------------|---|
| | | | w.e.f. July 10, 2018 and who holds office as such up to the date of 6 th Annual General Meeting of the Company. She was not regularized at the Annual General Meeting of the Company held on August 4, 2018. |
| Mr. Akshay Anilbhai Somani | August 4,2018 | Regularization | Regularized in Annual General Meeting held on August 04, 2018 as a Director |
| Mr. Ankit Anil Somani | August 4,2018 | Change in Designation | Appointed as Managing Director w.e.f. August 04, 2018. |
| Mr. Anil Devkishan Somani | August 4,2018 | Appointment | Appointed as Director and Managing Director w.e.f. August 04, 2018 and further appointed as Chairman in the Board meeting held on August 11, 2018. |
| Mr. Kush Prafulbhai Kalaria | August 4,2018 | Appointment | Appointed as Independent Director w.e.f. August 4, 2018 for a period of 5 years. |
| Mrs. Radhika Anand Chandak | August 4,2018 | Appointment | Appointed as Woman Independent Director w.e.f. August 4, 2018 for a period of 5 years. |
| Dr. Urva Pragnesh Patel | August 4,2018 | Appointment | Appointed as Independent Director w.e.f. August 4, 2018 for a period of 5 years. |

CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Prospectus, as our Company is coming with an issue in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavors to comply with the good Corporate Governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

Composition of Board of Directors

Currently the Board has 6 (Six) Directors. In compliance with the requirements of Companies Act, 2013, our Company has 2 (Two) Promoter – Executive Directors, 1 Promoter–Non-Executive Director and 3 (Three) Independent Directors on the Board.

Composition of Board of Directors is set forth in the below mentioned table:

| Sr. No. | Name of Directors | Designation | Status | DIN |
|---------|-----------------------------|------------------------------|---------------------------------|----------|
| 1. | Mr. Anil Devkishan Somani | Chairman & Managing Director | Executive & Non-Independent | 06373210 |
| 2. | Mr. Ankit Anil Somani | Managing Director | Executive & Non-Independent | 05211800 |
| 3. | Mr. Akshay Anilbhai Somani | Non-Executive Director | Non-Executive & Non-Independent | 05244214 |
| 4. | Mr. Kush Prafulbhai Kalaria | Independent Director | Non-Executive & Independent | 08086553 |
| 5. | Mrs. Radhika Anand Chandak | Independent Director | Non-Executive & Independent | 07904592 |
| 6. | Dr. Urva Pragnesh Patel | Independent Director | Non-Executive & Independent | 08193058 |

Constitution of Committees

Our company has constituted the following Committees of the Board;

1. **Audit Committee;**
2. **Stakeholders Relationship Committee; and**
3. **Nomination and Remuneration Committee.**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder;

1. **Audit Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any and Regulation 18 of SEBI (LODR) Regulations, 2015, in its Meeting held on August 11, 2018, constituted Audit Committee.

The constitution of the Audit Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|-----------------------------|-------------|------------------------|
| Mr. Kush Prafulbhai Kalaria | Member | Independent Director |
| Dr. Urva Pragnesh Patel | Member | Independent Director |
| Mr. Ankit Anil Somani | Member | Managing Director |

The Board of Directors of our Company has authorised the Committee Members to appoint Chairperson of the Committee in compliance of provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any and Regulation 18 of SEBI (LODR) Regulations, 2015.

Terms of Reference

The terms of reference of Audit Committee includes Roles, Powers, Duties etc. provided under provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any and Regulation 18 of SEBI (LODR) Regulations, 2015.

Quorum and Meetings

The Audit Committee shall meet such minimum number of times and quorum shall be, as required under provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any and Regulation 18 of SEBI (LODR) Regulations, 2015.

2. **Stakeholders Relationship Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on August 11, 2018, constituted Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|-----------------------------|-------------|------------------------|
| Dr. Urva Pragnesh Patel | Member | Independent Director |
| Mr. Kush Prafulbhai Kalaria | Member | Independent Director |
| Mr. Anil Devkishan Somani | Member | Managing Director |

The Board of Directors of our Company has authorised the Committee Members to appoint Chairperson of the Committee in compliance of provisions of Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any and Regulation 20 of SEBI (LODR) Regulations, 2015.

Terms of Reference

The terms of reference of Stakeholders Relationship Committee includes Roles, Duties etc. provided under provisions of provisions of Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any and Regulation 20 of SEBI (LODR) Regulations, 2015.

Quorum and Meetings

The Stakeholders Relationship Committee shall meet such minimum number of times and quorum shall be, as required under provisions of Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any and Regulation 20 of SEBI (LODR) Regulations, 2015.

3. Nomination and Remuneration Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on August 11, 2018, constituted Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|------------------------------|--------------------|--------------------------------|
| Mr. Kush Prafulbhai Kalaria | Member | Independent Director |
| Dr. Urva Pragnesh Patel | Member | Independent Director |
| Mr. Anil Devkishan Somani | Member | Chairman and Managing Director |

The Board of Directors of our Company has authorised the Committee Members to appoint Chairperson of the Committee in compliance of provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI (LODR) Regulations, 2015 and other applicable provisions of the Companies Act, 2013.

Terms of reference

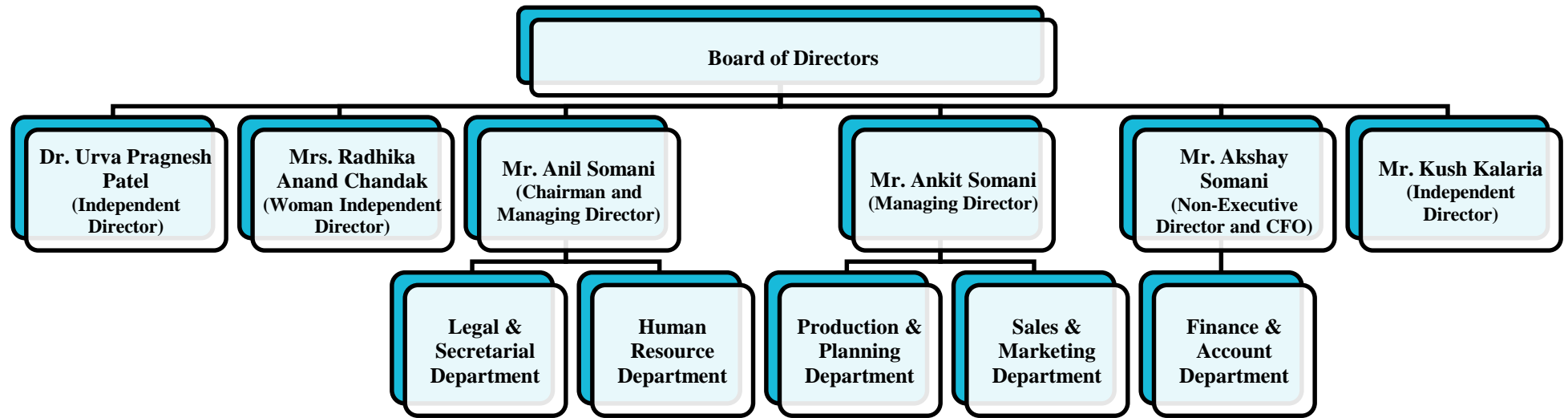
The terms of reference of Nomination and Remuneration Committee includes Roles, Duties etc. provided under provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI (LODR) Regulations, 2015 and other applicable provisions of the Companies Act, 2013.

Quorum and Meetings

The Nomination and Remuneration Committee shall meet such minimum number of times and quorum shall be, as required under provisions of Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any and Regulation 20 of SEBI (LODR) Regulations, 2015.

MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company is depicted from the following chart;



OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Director are as follows:-

| Name, Designation and Date of Joining | | Qualification | Previous Employment | Remuneration paid in F.Y. 2017-18) (₹ in Lakhs) |
|---------------------------------------|---|--|---------------------|---|
| Name | Mr. Akshay Anilbhai Somani | Master of Business Administration [M.B.A. (Master of Business Administration) in Family Business Management] from Nirma University | N.A. | ₹ 1,00,000/- Per Month* |
| Designation | Chief Finance Officer | | | |
| Date of Appointment | August 11, 2018 | | | |
| Overall Experience | Mr. Akshay Anilbhai Somani, aged 25 years is a M.B.A. (Master of Business Administration) in Family Business Management from Nirma University by qualification. He was appointed as an Additional Director w.e.f July 10, 2018 and then he was regularized as Director w.e.f. August 04, 2018. Further he is also appointed as Chief Financial Officer of the Company w.e.f August 11, 2018. He has an experience of 5 years in the family Business with respect to all aspects connected with Business. He has got special focus and hands on expertise with respect to all aspects connected with business. Before being appointed as a Director, he was handling Exports of the Company since 2014. Further he is also currently handling other Group Company(s), i.e. Shubham Texplast Private Limited and Sparebiz Enterprises Private Limited being a Director. | | | |

*As employee of the Company.

BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL

Currently, Our Company does not have any bonus or profit sharing plan for our Key Managerial personnel. In future, Discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the Key Managerial Personnel, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

CHANGES IN THE KEY MANAGEMENT PERSONNEL

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Draft Prospectus, otherwise than by way of retirement in due course.

| Name of Key Managerial Personnel | Date of Event | Nature of Event | Reason for the changes in the board |
|----------------------------------|-----------------|-----------------------|---|
| Mr. Akshay Anilbhai Somani | August 11, 2018 | Appointment | Appointed as Chief Financial Officer of the Company w.e.f. August 11, 2018 |
| Mr. Ankit Anil Somani | August 4, 2018 | Change in Designation | Appointed as Managing Director w.e.f. August 04, 2018. |
| Mr. Anil Devkishan Somani | August 4, 2018 | Appointment | Appointed as Managing Director w.e.f. August 04, 2018 and further appointed as Chairman in the Board meeting held on August 11, 2018. |

EMPLOYEE STOCK OPTION SCHEME

As on the date of filing of Draft Prospectus, our company does not have any ESOP Scheme for its employees.

RELATION OF THE KEY MANAGERIAL PERSONNEL WITH OUR PROMOTERS/ DIRECTORS

| Name of Key Managerial Personnel | Designation | Relation |
|----------------------------------|---|--|
| Mr. Anil Devkishan Somani | Promoter Cum Chairman & Managing Director | Father of our Promoter Cum Managing Director, Mr. Ankit Anil Somani, |
| | | Father of our Promoter Cum Director Cum Chief Financial Officer, Mr Akshay Anilbhai Somani |

| | | |
|----------------------------|---|--|
| Mr. Ankit Anil Somani | Managing Director | Son of Our Promoter Cum Chairman & Managing Director, Mr. Anil Devkishan Somani |
| | | Brother of Our Promoter Cum Director Cum Chief Financial Officer, Mr. Akshay Anilbhai Somani |
| Mr. Akshay Anilbhai Somani | Promoter Cum Director Cum Chief Financial Officer | Son of Our Promoter Cum Chairman & Managing Director, Mr. Anil Devkishan Somani |
| | | Brother of our Promoter Cum Managing Director, Mr. Ankit Anil Somani |

PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

Notes:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel have been recruited.
- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.
- None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. Further, our Company has appointed a certain Key Managerial Personnel i.e. Chairman & Managing Director, Managing Director, Chief Financial Officer for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.

SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Draft Prospectus.

| Sr. No. | Name of Directors | No. Equity Shares held | Category/ Status |
|----------------|--------------------------|-------------------------------|---------------------------------------|
| 1. | Mr. Anil DevkishanSomani | 1200000 | Executive Non Independent |
| 2. | Mr. Ankit Anil Somani | 1827000 | Executive Non Independent |
| 3. | Mr. Akshay Anil Somani | 780000 | Non-Executive Non Independent and CFO |

OUR PROMOTERS AND PROMOTERS GROUP


Promoters of Our Company are;

1. Mr. Anil Devkishan Somani
2. Mr. Ankit Anil Somani
3. Mr. Akshay Anilbhai Somani


For details of the Capital build-up of our Promoters in our Company, see section titled “Capital Structure” beginning on page no. 38 of this Draft Prospectus.

The details of our Promoters are as follows:

Mr. Anil Devkishan Somani


| | |
|---|--|
|  | Mr. Anil Devkishan Somani, aged 56 years is B.com. He is appointed as a Managing Director of the Company for 3 years w.e.f. August 04, 2018. He has a rich experience of more than 35 Years in the family Business with respect to all the aspects and facets of various functions. In Our Company, his scope of work is to handle the secretarial, legal and human resource functions in the Company. |
| Age | 56 years |
| PAN | AFHPS8551G |
| Passport Number | Z3622606 |
| Voter Identification No. | ZCU2302339 |
| Driving License | GJ1019870052476 |
| Name of Bank | Dena Bank, Drive In Road Branch |
| Bank Account No. | 121810024384 |
| Educational Qualification | B.Com (Bachelor of Commerce) from Jodhpur University. |
| Present Residential Address | B/3/3 Parth Indra Prastha Tower, Near Gurukul, Vastrapur, Ahmedabad – 380 054. |
| Position/posts held in the past | He is appointed as a Managing Director of the Company w.e.f. August 04, 2018 for 3 Years. Further he is appointed as a Chairman of the Company w.e.f. August 11, 2018. |
| Directorship held | Sparebiz Enterprises Private Limited |
| Other Ventures | Karta of Anil Somani HUF |

Mr. Ankit Anil Somani

| | |
|---|--|
|  | Mr. Ankit Anil Somani, aged 29 years, holds Degree of Master of Business Administration in Finance and Investment Management from Prifysgol Cymbro University of Wales. He was appointed as Promoter Cum Director of the company at the time of Incorporation of the Company and then he is re-designated as Managing Director of the Company w.e.f August 04, 2018. He has an experience of more than 8 years in the family business with respect to production, planning and sales. He is the guiding force behind all the corporate decisions and is responsible for the entire Business operations of the Company since his appointment. |
| Age | 29 years |
| PAN | BRTPS0336N |
| Passport Number | Z3622066 |
| Voter Identification No. | ZCU2302347 |
| Driving License | GJ 01-2010-1539454 |
| Name of Bank | Dena Bank, Retail Asset Branch, Ahmedabad |
| Bank Account No. | 121810024386 |

| | |
|--|---|
| Educational Qualification | Master of Business Administration in Finance and Investment Management from Prifysgol Cymru University of Wales |
| Present Residential Address | B/3/3 Parth Indra Prastha Tower, Near Gurukul, Vastrapur, Ahmedabad-380054. |
| Position/posts held in the past | He was appointed as a Director Cum Promoter (Member) of the Company. Then after he is re-designated as a Managing Director Cum Promoter (Member) of the Company w.e.f. August 04, 2018. |
| Directorship held | - |
| Other Ventures | Coparcener of Anil Somani HUF |

Mr. Akshay Anilbhai Somani

| | |
|---|---|
|  | Mr. Akshay Anilbhai Somani, aged 25 years is a M.B.A. (Master of Business Administration) in Family Business Management from Nirma University by qualification. He was appointed as an Additional Director w.e.f July 10, 2018 and then he was regularized as Director w.e.f. August 04, 2018. Further he is also appointed as Chief Financial Officer of the Company w.e.f August 11, 2018. He has an experience of 5 years in the family Business with respect to all aspects connected with Business. He has got special focus and hands on expertise with respect to all aspects connected with business. Before being appointed as a Director, he was handling Exports of the Company since 2014. Further he is also currently handling other Group Company(s), i.e. Shubham Texplast Private Limited and Sparebiz Enterprises Private Limited being a Director. |
| Age | 25 years |
| PAN | DZKPS7290J |
| Passport Number | K1974658 |
| Voter Identification No. | ---- |
| Driving License | GJ0120110034541 |
| Name of Bank | Dena Bank, Retail Asset Branch, Ahmedabad |
| Bank Account No. | 121810024385 |
| Educational Qualification | Master of Business Administration [M.B.A. (Master of Business Administration) in Family Business Management] from Nirma University |
| Present Residential Address | B/3/3 Parth Indra Prastha Tower, Near Gurukul, Vastrapur, Ahmedabad-380054. |
| Position/posts held in the past | He was appointed as an Additional Director Cum Promoter (Member) of the Company on July 10, 2018. Now he is regularised as a Non-Executive Director Cum Promoter (Member) of the Company w.e.f. August 04, 2018. Further he is also appointed as Chief Financial Officer of the Company w.e.f August 11, 2018. |
| Directorship held | 1. Shubham Texplast Private Limited 2. Sparebiz Enterprises Private Limited |
| Other Ventures | 1. Co-Parcener of Anil Somani HUF 2. Designated partner in Accura Hygiene LLP |

DECLARATION

We declare and confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchange on which the specified securities are proposed to be listed at the time of filing this Draft Prospectus with the Stock Exchange.

CONFIRMATIONS

Our Promoters have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Further, our Promoters have not been directly or indirectly, debarred from accessing the capital market or have been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoters do not have direct or indirect relation with the companies, its promoters and whole time director, which are compulsorily delisted by any recognized stock exchange.

We and Our promoters, group companies, and companies promoted by the promoter confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against them;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section title “Outstanding Litigation and Material Developments” appearing on page no. 168 of this Draft Prospectus.

CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER IN LAST THREE YEARS

There has been no change in the control or management of our Company in last three years.

RELATIONSHIP OF PROMOTER WITH EACH OTHER AND WITH OUR DIRECTORS

There is no relationship between Promoters of our Company with other Directors except as described below;

| Name of Director | Designation | Relation |
|----------------------------|---|--|
| Mr. Anil Devkishan Somani | Promoter Cum Chairman & Managing Director | Father of our Promoter Cum Managing Director, Mr. Ankit Anil Somani |
| | | Father of our Promoter Cum Non-Executive Director Cum Chief Financial Officer, Mr. Akshay Anilbhai Somani |
| Mr. Ankit Anil Somani | Managing Director | Son of Our Promoter Cum Chairman & Managing Director, Mr. Anil Devkishan Somani |
| | | Brother of Our Promoter Cum Non-Executive Director Cum Chief Financial Officer, Mr. Akshay Anilbhai Somani |
| Mr. Akshay Anilbhai Somani | Promoter Cum Director Cum Chief Financial Officer | Son of Our Promoter Cum Chairman & Managing Director, Mr. Anil Devkishan Somani |
| | | Brother of Our Promoter Cum Managing Director, Mr. Ankit Anil Somani |

INTEREST OF OUR PROMOTERS

- Except as stated in “Annexure – 30” - “Related Party Transaction” on page no. 156 of this Draft Prospectus and to the extent of compensation, remuneration/ sitting fees to be paid, Perquisites to be given and reimbursement of expenses to be made in accordance with their respective terms of appointment, our Promoters do not have any other interest in our business.
- Further, our Promoter may be deemed to be interested to the extent of the payments made by our Company, if any, to the Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please refer “Annexure – 30” - “Related Party Transactions” on page no. 156 of this Draft Prospectus.
- Our Promoter do not have any interest in any property acquired by our Company in the period of two years before filing this Draft Prospectus.
- We have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which promoter is directly or indirectly interested.

PAYMENT OF BENEFITS TO OUR PROMOTERS

Except as stated in the section “Annexure – 30” - “Related Party Transactions” on page no. 156 of this Draft Prospectus, there has been no payment of benefits made to our Promoters during the two years preceding the filing of this Draft Prospectus.

OUR PROMOTER GROUP

Promoter and Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI ICDR Regulations. In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

A. Natural persons who are part of our Individual Promoter Group:

| Relationship with Promoter | Mr. Anil Devkishan Somani | Mr. Ankit Anil Somani | Mr. Akshay Anilbhai Somani |
|----------------------------|---|-----------------------------|----------------------------|
| Father | Late Devkishan Somani | Mr. Anil Devkishan Somani | Mr. Anil Devkishan Somani |
| Mother | Late Shashikala Somani | Mrs. Sangita Somani | Mrs. Sangita Somani |
| Spouse | Mrs. Sangita Somani | Mrs. Pooja Somani | - |
| Brothers | Mr. Nitin Somani | Mr. Akshay Somani | Mr. Ankit Somani |
| Sisters | - | - | - |
| Sons | 1. Mr. Ankit Somani 2. Mr. Akshay Somani | - | - |
| Daughter | - | - | - |
| Spouse's Father | Late Damodardas Rathi | Mr. Kailash Bansilal Baheti | - |
| Spouse's Mother | Late Kamla Rathi | Mrs. Nirmala Baheti | - |
| Spouse's Brothers | Mr. Vikas Rathi | Mr. Saurabh Baheti | - |
| Spouse's Sisters | - | - | - |

B. Companies related to our Promoter Company: Not Applicable

| Nature of Relationship | Entity |
|--|-----------------------|
| Subsidiary or holding company of Promoter Company. | Not Applicable |
| Any Body corporate in which promoter (Body Corporate) holds 10% or more of the equity share capital or which holds 10% or more of the equity share capital of the promoter (Body Corporate). | Not Applicable |
| Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer. | Not Applicable |

C. Companies, Proprietary concerns, HUF's related to our promoters

| Nature of Relationship | Entity |
|---|---|
| Any Body Corporate in which ten percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member. | 1. Shubham Tex-O-Pack Private Limited 2. Shubham Texplast Private Limited 3. Moolrat Breweries Private Limited 4. Sparebiz Enterprises Private Limited 5. Accura Hygiene LLP 6. Flexishine Polyblends LLP 7. Anil Somani HUF 8. Nitin Somani HUF |
| Any Body corporate in which Body Corporate as provided above holds ten percent or more of the equity share capital. | Shubham Texplast Private Limited |
| Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent. | 1. Accura Hygiene LLP 2. Flexishine Polyblends LLP 3. Anil Somani HUF 4. Nitin Somani HUF |

For further details on our Promoter Group refer Chapter Titled "Financial Information of our Group Companies/Entities" beginning on page no. 116 of this Draft Prospectus.

FINANCIAL INFORMATION OF OUR GROUP COMPANIES/ENTITIES

The definition of “Group Companies” was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated August 11, 2018, our Board has formulated a policy with respect to companies/entities which is considered material to be identified as group companies/entities, pursuant to which the following entities are identified as Group Companies/Entities of our Company.

1. Shubham Tex-O-Pack Private Limited
2. Shubham Texplast Private Limited
3. Anil Somani HUF
4. Nitin Somani HUF
5. Accura Hygiene LLP
6. Flexishine Polyblends LLP
7. Sparebiz Enterprises Private Limited
8. Moohrat Breweries Private Limited

Except as stated above, there are no companies/entities which are considered material by the Board of Directors of our Company to be identified as group companies/entities.

As per sub clause C (2) of clause (IX) of Schedule VIII, we have provided the financial information of unlisted group companies/entities.

1. Shubham Tex-O-Pack Private Limited (STPPL)

Brief Corporate Information

STPPL is a private company incorporated under the provisions of Companies Act, 1956 and it has received the certificate of incorporation on August 24, 1995. Presently, registered office of STPPL is situated at B/3/3 Parth Indra Prasthatower B/H Govt. Colony, Gurukul, Ahmedabad – 380 054. The Corporate Identification number of STPPL is U28999GJ1995PTC027198. Shubham Tex-O-Pack Private Limited is a holding Company of Shubham Texplast Private Limited.

Current Nature of Activities

STPPL is currently engaged in Manufacturing of HDPE Bags and PP woven bags/Fabrics.

Board of Directors

As on date of this Draft Prospectus, the following are the Directors of STPPL

| Sr. No. | Name | Designation |
|---------|---------------------|-------------|
| 1. | Mr. Gajendra Rathi | Director |
| 2. | Mr. Nitin Somani | Director |
| 3. | Mr. Ravindra Rathi | Director |
| 4. | Mrs. Sangita Somani | Director |

Shareholding Pattern

As on date of this Draft Prospectus, the following are the Shareholders of STPPL;

| Sr. No. | Name of the shareholder | Number of Equity Shares held | Percentage holding (%) |
|---------|-------------------------|------------------------------|------------------------|
| 1. | Mr. Anil Somani | 55400 | 5.39 |
| 2. | Mr. Ashish Rathi | 11900 | 1.16 |
| 3. | Mr. Gajendra Rathi | 100150 | 9.74 |
| 4. | Ms. Kalpana Nima | 10000 | 0.97 |
| 5. | Ms. Karuna Rathi | 3000 | 0.29 |
| 6. | Narendra Rathi HUF | 15000 | 1.46 |
| 7. | Mr. Navnitlal Nima | 15000 | 1.46 |
| 8. | Mr. Nitin Somani | 39400 | 3.83 |

| Sr. No. | Name of the shareholder | Number of Equity Shares held | Percentage holding (%) |
|--------------|---|------------------------------|------------------------|
| 9. | Nitin Somani HUF | 91800 | 8.93 |
| 10. | Ms. Pushpa Rathi | 10000 | 0.97 |
| 11. | Mr. Ravindra Rathi | 20000 | 1.94 |
| 12. | Ravindra Rathi HUF | 225250 | 21.90 |
| 13. | Ms. Sangita Somani | 245800 | 23.90 |
| 14. | Lupine Commodities Private Limited | 12500 | 1.22 |
| 15. | Sector Commodities Private Limited | 12200 | 1.19 |
| 16. | Leisure Vincom Private Limited | 6500 | 0.63 |
| 17. | Twister Vincom Private Limited | 19000 | 1.85 |
| 18. | Evergrow Deal Commodities Private Limited | 23000 | 2.24 |
| 19. | Glorious Dealmark Private Limited | 40000 | 3.89 |
| 20. | Suncity Dealmark Private Limited | 25000 | 2.43 |
| 21. | Abhinandan Commonsale Private Limited | 21500 | 2.09 |
| 22. | Anil Somani HUF | 26100 | 2.54 |
| Total | | 1028500 | 100.00 |

Financial Performance

The summary of audited financials for the previous three years is as follows:

(₹ in lakhs except per share data)

| Particulars | March 31, 2017 | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|----------------|
| Equity Share Capital (face value ₹ 10/- each) | 102.85 | 102.85 | 102.85 |
| Reserves & Surplus (excluding revaluation reserve) | 215.25 | 205.18 | 198.26 |
| Total Income | 3429.72 | 2889.18 | 2980.02 |
| Profit/ (Loss) after Tax | 10.06 | 6.92 | 4.70 |
| Earnings Per Share and Diluted Earnings per share (in ₹) | 0.98 | 0.67 | 0.46 |
| Net Asset Value Per Share (in ₹) | 318.10 | 308.03 | 301.11 |

2. Shubham Texplast Private Limited (STPL)

Brief Corporate Information

STPL is a private company incorporated under the provisions of Companies Act, 1956 and it has received the certificate of incorporation on December 11, 2010. Presently, registered office of STPL is situated at B-3/3, Parth, Indraprasth Towers, Nr Gurukul, Drive-In Road, Ahmedabad – 380 052. The Corporate Identification number of STPL is U25202GJ2010PTC063229. STPL is subsidiary of Shubham Tex-O-Pack Private Limited.

Current Nature of Activities

STPL is engaged in Manufacturing of HDPE Bags and PP woven bags/Fabrics.

Board of Directors

As on date of this Draft Prospectus, the following are the Directors of STPL

| Sr. No. | Name | Designation |
|---------|--------------------|-------------|
| 1. | Mr. Akshay Somani | Director |
| 2. | Ms. Pratibha Rathi | Director |

Shareholding Pattern

As on date of this Draft Prospectus, the following are the Shareholders of STPL;

| Sr. No. | Name of the shareholder | Number of Equity Shares held | Percentage holding (%) |
|---------|-------------------------|------------------------------|------------------------|
| 1. | Ms. Pratibha Rathi | 180000 | 18.00 |

| Sr. No. | Name of the shareholder | Number of Equity Shares held | Percentage holding (%) |
|---------|------------------------------------|------------------------------|------------------------|
| 2. | Mr. Akshay Somani | 180000 | 18.00 |
| 3. | Shubham Tex-O-Pack Private Limited | 640000 | 64.00 |
| | Total | 1000000 | 100.00 |

Financial Performance

The summary of audited financials for the previous three years is as follows:

(₹ in lakhs except per share data)

| Particulars | March 31, 2017 | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|----------------|
| Equity Share Capital (face value ₹ 10/- each) | 100.00 | 1.00 | 1.00 |
| Reserves & Surplus (excluding revaluation reserve) | (14.82) | (1.00) | (0.81) |
| Total Income | 28.25 | 0.00 | 0.00 |
| Profit/ (Loss) after Tax | (13.82) | (0.19) | (0.25) |
| Earnings Per Share and Diluted Earnings per share (in ₹) | (1.78) | (1.88) | (2.54) |
| Net Asset Value Per Share (in ₹) | 85.18 | 0.00 | 0.19 |

3. ANIL SOMANI HUF

Anil Somani HUF was constituted on April 04, 2004. The Karta of Anil Somani HUF is Mr. Anil Somani. The office of Anil Somani HUF is situated at B 3-3, Drive In Road, Gurukul, Ahmedabad – 380 052.

Anil Somani HUF currently has only Tution Income as source of revenue.

Financial Performance

The summary of financials for the previous three years is as follows:

(₹ In lakhs)

| Particulars | March 31, 2017 | March 31, 2016 | March 31, 2015 |
|----------------|----------------|----------------|----------------|
| Total Income | 2.45 | 0.00 | 8.31 |
| Profit/ (Loss) | 2.45 | 0.00 | 7.80 |

4. NITIN SOMANI HUF

Nitin Somani HUF was constituted on April 01, 1997. The Karta of Nitin Somani HUF is Mr. Nitin Somani. The Office of Nitin Somani HUF is situated at B/3/3, Parth Indraprastha Tower, Drive In Road, Ahmedabad – 380 009.

Nitin Somani HUF is currently engaged in Job Work- Printing Income.

Financial Performance

The summary of financials for the previous three years is as follows:

(₹ In lakhs except per share data)

| Particulars | March 31, 2017 | March 31, 2016 | March 31, 2015 |
|----------------|----------------|----------------|----------------|
| Total Income | 1.74 | 1.00 | 0.89 |
| Profit/ (Loss) | 1.74 | 1.00 | 0.89 |

5. ACCURA HYGIENE LLP

Accura Hygiene LLP was originally incorporated as Accura Hygiene Private Limited under Companies Act, 2013 and had received Certificate of Incorporation of Company on May 12, 2016. It was later on Converted to Accura Hygiene LLP under Limited Liability Partnership Act, 2008 and as per Limited Liability Partnership Rules, 2009 on November 17, 2016. Limited Liability Partnership Agreement between all the three Designated Partners was made on November 28, 2016. The Registered Office of Accura Hygiene LLP is situated at Ishavayam 36 Shivalik Villa, Opp. Saundraya Villa, Rajpath Club Road, Ambali, Ahmedabad – 380 058. The Limited Liability Partnership Identification Number is AAH-8283.

Current Nature of Activities

Accura Hygiene LLP was incorporated mainly to manufacture of Raw Materials, Semi-Finished and Finished Goods for Hygiene Products and to market the said Hygiene Products.

Currently, no business activity is conducted under Accura Hygiene LLP

List of Partners

| Sr. No. | Name | Designation |
|---------|------------------------|--------------------|
| 1. | Mr. Akshay Somani | Designated Partner |
| 2. | Mr. Daksh Bajoria | Designated Partner |
| 3. | Mr. Vinodkumar Bajoria | Designated Partner |

Interest of Partners

The Profit/Loss Sharing ratio of Partners in Accura Hygiene LLP is as under:

| Sr. No. | Name of Partner | Profit/Loss Sharing Ratio | Capital Contribution Ratio |
|---------|------------------------|---------------------------|----------------------------|
| 1. | Mr. Akshay Somani | 50.00% | 50.00% |
| 2. | Mr. Daksh Bajoria | 25.00% | 25.00% |
| 3. | Mr. Vinodkumar Bajoria | 25.00% | 25.00% |
| | Total | 100.00% | 100.00% |

Financial Performance

The summary of audited financials for the previous year is as follows:

(₹ In lakhs)

| Particulars | March 31, 2017 |
|----------------|----------------|
| Total Income | 0.00 |
| Profit/ (Loss) | (0.15) |

The summary of audited financials for the previous three years is not applicable as LLP is formed on November 17, 2016.

6. Flexishine Polyblends LLP

Flexishine Polyblends LLP was incorporated under Limited Liability Partnership Act, 2008 and Limited Liability Partnership Rules, 2009 on August 12, 2016. The Registered Office of Flexishine Polyblends LLP is situated at E/33, Amaltas Appartments, B/H. Fun Republic, Satellite, Ahmedabad – 380 015, Gujarat, India. The Limited Liability Partnership Identification Number is AAH-1446.

Current Nature of Activities

Flexishine Polyblends LLP was incorporated mainly to manufacture, weave, process, re-process, mould, repair, buy and sell, recycling, export, import and deal in all kinds of plastics and plastics goods.

Currently, Flexishine Polyblends LLP is in manufacturing of Thermoplastic Elastomers.

List of Designated Partners

| Sr. No. | Name | Designation |
|---------|----------------------------|--------------------|
| 1. | Mr. Nitin Devkishan Somani | Designated Partner |
| 2. | Mr. Brajesh Gattani | Designated Partner |
| 3. | Mr. Gajendra Rathi | Designated Partner |

Interest of Partners

The Profit/Loss Sharing ratio of Partners in Flexishine Polyblends LLP is as under:

| Sr. No. | Name of Partner | Profit/Loss Sharing Ratio | Capital Contribution Ratio |
|---------|----------------------------|---------------------------|----------------------------|
| 1. | Mr. Nitin Devkishan Somani | 33.34% | 33.34% |
| 2. | Mr. Brajesh Gattani | 33.33% | 33.33% |

| Sr. No. | Name of Partner | Profit/Loss Sharing Ratio | Capital Contribution Ratio |
|---------|--------------------|---------------------------|----------------------------|
| 3. | Mr. Gajendra Rathi | 33.33% | 33.33% |
| | Total | 100.00% | 100.00% |

Financial Performance

The summary of audited financials for the previous year is as follows:

(₹ In lakhs)

| Particulars | March 31, 2017 |
|----------------|----------------|
| Total Income | 0.00 |
| Profit/ (Loss) | (0.38) |

The summary of audited financials for the previous three years is not applicable as Flexishine Polyblends LLP is formed on August 12, 2016.

7. Sparebiz Enterprises Private Limited (SEPL)

Brief Corporate Information

SEPL is a private company incorporated under the provisions of Companies Act, 2013 and it has received the certificate of incorporation on July 20, 2017. Presently, registered office of SEPL is situated at B/3/3, Parth Indraprastha Tower, B/h. Govt. Colony, Nr Gurukul-380052. The Corporate Identification number of SEPL is U51909GJ2017PTC098372.

Current Nature of Activities

SEPL is incorporated with an object mainly of Wholesale trade and commission trade, except of motor vehicles and motorcycles.

SEPL is currently engaged into Business to Business (B2B) E-Commerce Business of Machine spare parts selling.

Board of Directors

As on date of this Draft Prospectus, the following are the Directors of SEPL

| Sr. No. | Name | Designation |
|---------|-------------------|-------------|
| 1. | Mr. Rushil Barot | Director |
| 2. | Mr. Akshay Somani | Director |
| 3. | Mr. Anil Somani | Director |
| 4. | Mrs. Pooja Somani | Director |

Shareholding Pattern

As on date of this Draft Prospectus, the following are the Shareholders of SEPL;

| Sr. No. | Name of the shareholder | Number of Equity Shares held | Percentage holding (%) |
|---------|-------------------------|------------------------------|------------------------|
| 1. | Mr. Akshay Somani | 5300 | 53.00 |
| 2. | Mr. Anil Somani | 2000 | 20.00 |
| 3. | Mr. Rushil Barot | 700 | 7.00 |
| 4. | Mrs. Pooja Somani | 2000 | 20.00 |
| | Total | 10000 | 100.00 |

Financial Performance

The summary of audited financials for the previous three years is not applicable as Company is incorporated on July 20, 2017 and F.Y. 2017-18 is its 1st Financial Year and the audited data in respect of F.Y. 2017-18 are yet not prepared.

8. Moohrat Breweries Private Limited (MBPL)

Brief Corporate Information

MBPL is a private company incorporated under the provisions of Companies Act, 2013 and it has received the certificate of incorporation on September 04, 2017. Presently, registered office of MBPL is situated at House No. 114, Devargaon, Nashik – 423 101. The Corporate Identification number of STPL is U15110MH2017PTC299327.

Current Nature of Activities

MBPL is incorporated with an object mainly to indulge in Manufacturing of Food Products and Beverages.

Currently no Business Activity is conducted under MBPL.

Board of Directors

As on date of this Draft Prospectus, the following are the Directors of MBPL

| Sr. No. | Name | Designation |
|---------|-------------------|-------------|
| 1. | Mrs. Pooja Somani | Director |
| 2. | Mr. Trilok Tater | Director |

Shareholding Pattern

As on date of this Draft Prospectus, the following are the Shareholders of MBPL;

| Sr. No. | Name of the shareholder | Number of Equity Shares held | Percentage holding (%) |
|--------------|-------------------------|------------------------------|------------------------|
| 1. | Mrs. Pooja Somani | 5000 | 50.00 |
| 2. | Mr. Trilok Tater | 2500 | 25.00 |
| 3. | Ms. Radhika Chandak | 2500 | 25.00 |
| Total | | 10000 | 100.00 |

Financial Performance

The summary of audited financials for the previous three years is not applicable as Company is incorporated on September 04, 2017 and FY 2017-18 is its 1st Financial Year and the audited data in respect of F.Y. 2017-18 are yet not prepared.

General Disclosure

- None of the above mentioned Group Companies is listed Company.
- None of the above mentioned Group Companies is a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up.
- None of the above mentioned Group Companies is in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies.
- Our Group Entity has not been identified as a Willful Defaulter.

Common Pursuit

None of our group companies/entities have similar objects to that of our Company.

Dissociation of Promoters in the last three year:

Our individual Promoters have not disassociated themselves from any Company in the last three years except the following:-

| Sr. No. | Name of Promoter | Name of Entity | Type | Date of Dissociation | Reason for Dissociation |
|---------|----------------------------|--------------------------------|-----------------------------|----------------------|--------------------------|
| 1. | Mr. Akshay Anilbhai Somani | Accura Hygiene Private Limited | Directorship and Membership | November 17, 2016 | Company converted to LLP |

Related Business transactions within the group company and its significance on the financial performance of Our Company

Sales or Purchases between our group Company and associated company with our Company is given below:

(₹ In Lakh)

| Particulars | For the year ended March 31, 2014 | For the year ended March 31, 2015 | For the year ended March 31, 2016 | For the year ended March 31, 2017 | For the year ended March 31, 2018 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Total Sales of Shubham Polyspin Limited | 614.68 | 1327.86 | 1537.59 | 1751.39 | 2,688.81 |
| Total Sale to Shubham Tex-O-Pack Private Limited | 44.83 | 193.06 | 6.67 | 4.42 | 377.38 |
| % of Total Sales of Shubham Polyspin Limited | 7.29 | 14.54 | 0.43 | 0.25 | 14.04 |
| Total Sale to Shubham Texplast Private Limited | - | - | - | 0.43 | 7.59 |
| % of Total Sales of Shubham Polyspin Limited | - | - | - | 0.02 | 0.28 |
| Total Sale to Flexishine Polybends LLP | - | - | - | - | 37.04 |
| % of Total Sales of Shubham Polyspin Limited | - | - | - | - | 1.38 |
| Total Purchases of Shubham Polyspin Limited | 449.80 | 985.68 | 1,160.70 | 1,249.54 | 2,042.56 |
| Total Purchases from Shubham Tex-O-Pack Private Limited | 8.52 | - | - | - | 322.82 |
| % of Total Purchases of Shubham Polyspin Limited | 1.89 | - | - | - | 15.80 |
| Total Purchases from Flexishine Polybends LLP | - | - | - | - | 22.75 |
| % of Total Purchases of Shubham Polyspin Limited | - | - | - | - | 1.11 |

For details, please see the section “Related Party Transactions” on page no. 124 of this Draft Prospectus.

Defunct /Struck-off Company

- None of Promoters, Promoter Group and our Group Companies has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this Draft Prospectus.
- None of the securities of our Group Entity are listed on any stock exchange and our Group Entity has not made any public or rights issue of securities in the preceding three years.
- Our Group Entity has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- Our Group Entity has not been identified as a Willful Defaulter.

Business Interests amongst our Company and Group Companies /Associate Companies

Except as mentioned under “Annexure – 30” – “Related Party Transactions” under Chapter titled “Auditors Report and Financial Information of Our Company” beginning on page no. 126 of this Draft Prospectus, there is no business interest among Group Company.

Changes in Accounting Policies in the last three years

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “Annexure – 4” under Chapter titled “Auditors Report and Financial Information of our Company” beginning on page no. 126 of the Draft Prospectus, there have been no changes in the accounting policies in the last three years.

RELATED PARTY TRANSACTIONS

For details of the related party transaction of our Company, see Annexure – 30 and Annexure – 4 to Accounts to the financial statements respectively, in “Auditors Report and Financial Information of our Company” beginning from page no. 126 of this Draft Prospectus.

DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

SECTION VI – FINANCIAL INFORMATION

AUDITORS REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

FINANCIAL STATEMENT AS RESTATED

Independent Auditor's Report for the Restated Financial Statements of SHUBHAM POLYSPIN LIMITED

(Formerly known as Shubham Polyspin Private Limited)

To,
The Board of Directors
Shubham Polyspin Limited
Block No. 748, Saket Industrial Estate,
Nr. Kaneria Oil Mill, Jetpura-Basantpura Road,
Village Borisana Taluka Kadi,
Mahesana, Gujarat, India – 382 728

Dear Sir(s),

1. We have examined the attached Restated Statement of Assets and Liabilities of **Shubham Polyspin Limited** (the "Company") as at March 31, 2018; March 31, 2017; March 31, 2016; March 31, 2015 and March 31, 2014 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the financial year ended on March 31, 2018; March 31, 2017; March 31, 2016; March 31, 2015 and March 31, 2014 annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "Restated Summary Statements" or "Restated Financial Statements"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of BSE Limited (BSE SME).
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
 - i. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules") and
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - iii. The terms of reference to our engagements with the Company letter dated requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited (BSE SME) ("IPO" or "SME IPO"); and
 - iv. The Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("Guidance Note 2016").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year ended on March 31, 2018; March 31, 2017; March 31, 2016; March 31, 2015 and March 31, 2014 which has been approved by the Board of Directors.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
 - i. The "Statement of Assets and Liabilities as Restated" as set out in Annexure 1 to this report, of the Company as at March 31, 2018; March 31, 2017; March 31, 2016; March 31, 2015 and March 31, 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully Described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.
 - ii. The "Statement of Profit and Loss as Restated" as set out in Annexure 2 to this report, of the Company for the financial year ended on March 31, 2018; March 31, 2017; March 31, 2016; March 31, 2015 and March 31, 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the

Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.

- iii. The “Statement of Cash Flow as Restated” as set out in Annexure 3 to this report, of the Company for the financial year ended on March 31, 2018; March 31, 2017; March 31, 2016; March 31, 2015 and March 31, 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.
5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
 - i. Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
 - ii. Adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments.
 - iii. There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments except as disclosed in the notes to accounts.
 - iv. There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on March 31, 2018; March 31, 2017; March 31, 2016; March 31, 2015 and March 31, 2014 which would require adjustments in this Restated Financial Statements of the Company.
 - v. These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure 4 to this report.
6. Audit for the financial year ended on March 31, 2015 and March 31, 2014 was conducted by M/s. Rakesh Tibdewal & Associates (Chartered Accountants) and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them and no routine audit has been carried out by us. Further financial statements for the financial year ended on March 31, 2018 have been audited by us as per the relevant guidelines.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2018; March 31, 2017; March 31, 2016; March 31, 2015 and March 31, 2014 proposed to be included in the Draft Prospectus/Prospectus (“Offer Document”).

Annexure of Restated Financial Statements of the Company:

1. Significant Accounting Policies and Notes to Accounts as restated in Annexure 4;
2. “Reconciliation of Restated Profit” as appearing in Annexure 5 to this report.
3. “Restated Statement of Share Capital” as appearing in Annexure 6 to this report;
4. “Restated Statement of Reserve and Surplus” as appearing in Annexure 7 to this report;
5. “Restated Statement of Long Term Borrowings” as appearing in Annexure 8 to this report;
6. “Nature of Security and Terms of Repayment for Long Term Borrowings” as appearing in Annexure 8.1 to this report;
7. “Restated Statement of Differed Tax Liabilities (Net)” as appearing in Annexure 9 to this report;
8. “Restated Statement of Short Term Borrowings” as appearing in Annexure 10 to this report;
9. “Nature of Security and Terms of Repayment for Short Term Borrowings” as appearing in Annexure 10.1 to this report;
10. “Restated Statement of Trade Payables” as appearing in Annexure 11 to this report;
11. “Restated Statement of Other Current Liabilities” as appearing in Annexure 12 to this report;
12. “Restated Statement of Short Term Provisions” as appearing in Annexure 13 to this report;
13. “Restated Statement of Fixed Assets” as appearing in Annexure 14 to this report;
14. “Restated Statement of Long Term Loans and Advances” as appearing in Annexure 15 to this report;
15. “Restated Statement of Other Non-Current Assets” as appearing in Annexure 16 to this report;
16. “Restated Statement of Inventories” as appearing in Annexure 17 to this report;

17. "Restated Statement of Trade Receivables" enclosed as Annexure 18 to this report;
 18. "Restated Statement of Cash and Cash Equivalents" enclosed as Annexure 19 to this report;
 19. "Restated Statement of Short Term Loans and Advances" as appearing in Annexure 20 to this report;
 20. "Restated Statement of Other Current Assets" as appearing in Annexure 21 to this report;
 21. "Restated Statement of Revenue From Operations" as appearing in Annexure 22 to this report;
 22. "Restated Statement of Particulars Sale of Product" as appearing in Annexure 22.1 to this report;
 23. "Restated Statement of Other Income" as appearing in Annexure 23 to this report;
 24. "Restated details of Other Income" as appearing in Annexure 23.1 to this report;
 25. "Restated Statement of Cost of Material Consumed" as appearing in Annexure 24 to this report;
 26. "Restated Statement of Changes In Inventories" as appearing in Annexure 25 to this report;
 27. "Restated Statement of Employee Benefits Expenses" as appearing in Annexure 26 to this report;
 28. "Restated Statement of Finance Costs" as appearing in Annexure 27 to this report;
 29. "Restated Statement of Depreciation and Amortization" as appearing in Annexure 28 to this report;
 30. "Restated Statement of Other Expenses" as appearing in Annexure 29 to this report;
 31. "Restated Statement of Payment to Auditors" as appearing in Annexure 29.1 to this report;
 32. "Restated Statement of Related Party Transactions" as appearing in Annexure 30 to this report;
 33. "Restated Summary of Accounting Ratios" as appearing in Annexure 31 to this report
 34. "Restated Statement of Capitalization as at March 31, 2018" as appearing in Annexure 32 to this report;
 35. "Restated Statement of Tax Shelters" as appearing in Annexure 33 to this report.
 36. "Restated Statement of Contingent Liabilities and Commitments" as appearing in Annexure 34 to this report;
8. We, M/s. Jain P.C. & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.
 9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
 10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
 11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 12. In our opinion, the above financial information contained in Annexure 1 to 34 of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
 13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For, Jain P.C. & Associates
Chartered Accountants
Firm Registration Number: 126313W

Karan R Ranka
Partner
Membership Number: 136171

Date: August 8, 2018
Place: Ahmedabad

SHUBHAM POLYSPIN LIMITED
(Formerly known as Shubham Polyspin Private Limited)

Annexure – 1
(₹ in Lakh)

Restated Statement of Balance Sheet

| Particulars | | As at March 31 | | | | |
|-------------|---|----------------|---------------|-----------------|-----------------|-----------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 |
| I. | EQUITY AND LIABILITIES | | | | | |
| 1 | Shareholders' funds | | | | | |
| | (a) Share capital | 201.00 | 201.00 | 301.00 | 401.00 | 401.00 |
| | (b) Reserves and surplus | 1.39 | 21.62 | 46.23 | 67.55 | 215.45 |
| 2 | Share Application Money Pending Allotments | - | - | - | - | - |
| 3 | Non-current liabilities | | | | | |
| | (a) Long-term borrowings | 276.15 | 280.97 | 497.90 | 551.20 | 476.48 |
| | (b) Deferred tax liabilities (Net) | 0.82 | 10.35 | 22.35 | 34.40 | 63.04 |
| | (c) Long-term Provisions | - | - | - | - | - |
| | (d) Other Long-term Liabilities | - | - | - | - | - |
| 4 | Current liabilities | | | | | |
| | (a) Short-term borrowings | 198.04 | 170.96 | 323.33 | 592.23 | 309.49 |
| | (b) Trade payables | 11.27 | 29.88 | 134.28 | 201.48 | 145.97 |
| | (c) Other current liabilities | 66.15 | 62.36 | 107.26 | 156.06 | 146.02 |
| | (d) Short-term provisions | 3.69 | 12.73 | 14.71 | 25.53 | 26.23 |
| | TOTAL | 758.51 | 789.88 | 1,447.05 | 2,029.45 | 1,783.67 |
| II. | ASSETS | | | | | |
| 1 | Non-current assets | | | | | |
| | (a) Fixed assets | | | | | |
| | (i) Tangible assets | 372.35 | 425.84 | 426.73 | 1,158.89 | 1,143.12 |
| | (ii) Intangible Assets | 0.33 | 0.33 | 0.33 | 0.69 | 0.69 |
| | (iii) Intangible Assets under development | - | - | - | - | - |
| | (iv) Capital Work in Progress | 17.53 | - | 382.07 | - | 13.52 |
| | Less: Accumulated Depreciation | 17.35 | 54.22 | 94.38 | 162.85 | 249.97 |
| | Net Block | 372.86 | 371.95 | 714.75 | 996.74 | 907.37 |
| | (b) Non-Current Investments | - | - | - | - | - |
| | (c) Long-term loans and advances | 13.53 | 13.53 | 16.35 | 23.69 | 23.69 |
| | (d) Other Non-Current Assets | 0.29 | 0.19 | 0.10 | 35.55 | 33.01 |
| | (e) Deferred Tax Assets | - | - | - | - | - |
| 2 | Current assets | | | | | |
| | (a) Inventories | 38.44 | 20.28 | 79.69 | 54.28 | 123.01 |
| | (b) Trade receivables | 190.78 | 282.41 | 388.19 | 501.54 | 374.55 |
| | (c) Cash and cash equivalents | 4.21 | 23.21 | 23.67 | 21.81 | 25.94 |
| | (d) Short-term loans and advances | 137.48 | 77.04 | 220.03 | 393.13 | 293.43 |
| | (e) Other Current Assets | 0.92 | 1.26 | 4.26 | 2.71 | 2.66 |
| | TOTAL | 758.51 | 789.88 | 1,447.05 | 2,029.45 | 1,783.67 |

Accounting Policies & Notes on Accounts
As per our Report on Even date attached

For, Jain P.C. & Associates
Chartered Accountants
Firm Registration Number: 126313W

Date: August 8, 2018
Place: Ahmedabad

Karan R Ranka
Partner
Membership Number: 136171

SHUBHAM POLYSPIN LIMITED
(Formerly known as Shubham Polyspin Private Limited)

Annexure – 2

Restated Statement of Profit and Loss Accounts

(₹ in Lakh)

| Particulars | | For the Financial Year ended on March 31, | | | | |
|-------------|---|---|-----------------|-----------------|-----------------|-----------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 |
| I. | Revenue from operations | 614.68 | 1,327.86 | 1,537.59 | 1,751.39 | 2,688.81 |
| II. | Other income | 11.45 | 26.71 | 2.86 | 19.80 | 138.19 |
| III. | Total Revenue (I + II) | 626.13 | 1,354.57 | 1,540.45 | 1,771.19 | 2,827.00 |
| IV. | Expenses: | | | | | |
| | Cost of Material Consumed | 443.03 | 1,002.94 | 1,106.39 | 1,274.73 | 1,982.61 |
| | Purchases of Stock-In-Trade | - | - | - | - | - |
| | Changes in inventories of Stock-in-Trade | 0.33 | 2.82 | (6.80) | 2.12 | (6.15) |
| | Employee benefits expense | 19.89 | 33.75 | 42.76 | 53.95 | 104.21 |
| | Finance costs | 41.43 | 75.06 | 75.43 | 97.52 | 127.01 |
| | Depreciation and amortization expense | 13.42 | 39.77 | 40.16 | 70.29 | 87.12 |
| | Other expenses | 105.02 | 170.24 | 245.69 | 238.95 | 355.41 |
| | Total expenses | 623.12 | 1,324.58 | 1,503.64 | 1,737.56 | 2,650.21 |
| V. | Profit before exceptional items and tax (III-IV) | 3.00 | 29.99 | 36.81 | 33.63 | 176.79 |
| VI | Exceptional Items | - | - | - | - | - |
| VII | Profit before tax (V-VI) | 3.00 | 29.99 | 36.81 | 33.63 | 176.79 |
| VIII | Tax expense: | | | | | |
| | (1) Current tax | 0.57 | 5.71 | 7.01 | 6.41 | 33.69 |
| | (3) Deferred tax | 0.82 | 9.53 | 12.00 | 12.05 | 28.64 |
| | (4) Less : MAT Credit Entitlement | 0.57 | 5.71 | 7.01 | 6.41 | 33.69 |
| IX | Profit (Loss) for the period (VII-VIII) | 2.18 | 20.47 | 24.81 | 21.58 | 148.15 |

Accounting Policies & Notes on Accounts

As per our Report on Even date attached

For, Jain P.C. & Associates
Chartered Accountants
Firm Registration Number: 126313W

Date: August 8, 2018

Place: Ahmedabad

Karan R Ranka
Partner
Membership Number: 136171

SHUBHAM POLYSPIN LIMITED
(Formerly known as Shubham Polyspin Private Limited)

Annexure – 3
(₹ in Lakh)

Restated Statement of Cash Flows

| Particulars | For the Financial Year ended on March 31, | | | | |
|--|---|----------|----------|------------|----------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Cash flow from Operating Activities | | | | | |
| Net Profit Before tax as per Statement of Profit & Loss | 3.00 | 29.99 | 36.81 | 33.63 | 176.79 |
| Adjustments for : | | | | | |
| Depreciation & Amortization Exp. | 13.42 | 39.77 | 40.16 | 70.29 | 87.12 |
| Interest Expenses | 41.43 | 75.06 | 83.78 | 103.50 | 79.67 |
| Preliminary Expenditure W/off during the Year | 0.10 | 0.10 | 0.10 | 2.64 | 2.54 |
| Income tax W/off during the Year | - | (0.23) | (0.20) | (0.26) | (0.26) |
| Profit on Sale of Fixed Assets | - | - | - | - | - |
| Loss on Sale of Fixed Assets | - | 54.95 | 1.79 | 116.48 | - |
| | | | | 123.84 | 0.78 |
| | | | | 176.94 | 169.08 |
| Operating Profit before working capital changes | 57.95 | 146.47 | 160.64 | 210.57 | 345.87 |
| Changes in Working Capital | | | | | |
| Trade receivable | (107.30) | (91.62) | (105.79) | (113.35) | 126.99 |
| Other Loans and advances receivable | (108.81) | 60.45 | (142.99) | (173.10) | 99.70 |
| Inventories | (7.40) | 18.15 | (59.41) | 25.41 | (68.74) |
| Other Non-Current Assets | - | - | - | (38.19) | - |
| Other Current Assets | (0.71) | (0.34) | (3.01) | 1.65 | 0.05 |
| Trade Payables | (32.94) | 18.61 | 104.40 | 67.19 | (55.50) |
| Other Current Liabilities | 32.88 | (3.79) | 44.90 | 48.80 | (10.04) |
| Current Borrowing | 5.00 | - | 152.38 | 268.89 | (282.74) |
| Short term Provisions | 0.86 | 9.04 | 1.97 | 10.83 | 0.70 |
| | | (218.43) | 10.50 | (7.54) | 98.14 |
| | | (160.48) | 156.97 | 153.10 | 308.71 |
| Net Cash Flow from Operation | (160.48) | 156.97 | 153.10 | 308.71 | 156.28 |
| Less : Income Tax paid | - | - | - | - | - |
| Net Cash Flow from Operating Activities (A) | (160.48) | 156.97 | 153.10 | 308.71 | 156.28 |
| Cash flow from investing Activities | | | | | |
| Purchase of Fixed Assets | (177.70) | (193.83) | (382.96) | (1,080.35) | (25.86) |
| Sale of Fixed Assets | 19.46 | 153.17 | - | 727.30 | 28.11 |
| Other Non-Current Assets (Net) | - | - | - | - | - |
| Movement in Loans & Advances | 32.49 | - | (2.82) | (7.34) | - |
| Purchase/Sale of Investment | - | - | - | - | - |
| Interest Income | - | - | - | - | - |

| | | | | | | | | | | |
|--|---------|-------------|---------|--------------|---------|--------------|----------|---------------|---------|--------------|
| | | (125.75) | | (40.66) | | (385.78) | | (360.39) | | 2.25 |
| Net Cash Flow from Investing Activities (B) | | (125.75) | | (40.66) | | (385.78) | | (360.39) | | 2.25 |
| Cash Flow From Financing Activities | | | | | | | | | | |
| Proceeds From long Term Borrowing (Net) | 132.70 | | 4.82 | | 216.92 | | 53.30 | | (74.72) | |
| Short Term Borrowing (Net) | 102.80 | | (27.08) | | - | | - | | - | |
| Share Capital issued | 100.00 | | - | | 100.00 | | 100.00 | | | |
| Share Application Money Received | (4.30) | | - | | | | - | | | |
| Interest Paid | (41.43) | | (75.06) | | (83.78) | | (103.50) | | (79.67) | |
| Dividend paid (Including DDT) | | 289.77 | | (97.32) | - | 233.15 | - | 49.81 | - | (154.39) |
| Net Cash Flow from Financing Activities (C) | | 289.77 | | (97.32) | | 233.15 | | 49.81 | | (212.19) |
| Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C) | | 3.54 | | 19.00 | | 0.46 | | (1.87) | | 4.14 |
| Opening Cash & Cash Equivalents | | 0.68 | | 4.21 | | 23.21 | | 23.67 | | 21.81 |
| Cash and cash equivalents at the end of the period | | 4.21 | | 23.21 | | 23.67 | | 21.81 | | 25.94 |
| Cash And Cash Equivalents Comprise : | | | | | | | | | | |
| Cash | | 3.96 | | 11.66 | | 3.86 | | 0.32 | | 7.75 |
| Bank Balance : | | | | | | | | | | |
| Current Account | | 0.25 | | 0.38 | | 0.29 | | 8.20 | | 0.44 |
| Deposit Account | | - | | 11.17 | | 19.53 | | 13.28 | | 17.75 |
| Total | | 4.21 | | 23.21 | | 23.67 | | 21.81 | | 25.94 |

Accounting Policies & Notes on Accounts
As per our Report on Even date attached

For, Jain P.C. & Associates
Chartered Accountants
Firm Registration Number: 126313W

Date: August 8, 2018
Place: Ahmedabad

Karan R Ranka
Partner
Membership Number: 136171

NOTES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS

Background

Shubham Polyspin Limited was incorporated on March 12, 2012 under the provisions of Companies Act, 1956 with Registrar of Companies, Ahmedabad vide Corporate Identification Number U17120GJ2012PTC069319. The Company is primarily engaged in the business of manufacturing of Multi Filament Yarns.

RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Annexure – 4

A. Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized.

B. Use of Estimates

The preparation and presentation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

C. Valuation of Inventory

| | | |
|---------------------|---|--------------------|
| Raw Material | : | At Cost |
| Semi-finished goods | : | At Estimated Cost. |
| Finished goods | : | At Cost |

D. Cash Flow Statement

Cash flow statement has been prepared as per requirements of Accounting Standard - 3. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

E. Contingencies and Events Occurring After the Balance Sheet Date

Effects of, events occurred after Balance Sheet date and having material effect on financial statements are reflected where ever required.

F. Net Profit or loss for the period, prior period items and changes in accounting policies

Material items of prior period, non-recurring and extra ordinary items are shown separately, If any.

G. Depreciation accounting

Depreciation has been provided as per Straight Line Method at the rates and manner, specified in Schedule XIV to the Companies Act, 1956 for the year ending on March 31, 2014 and it is provided as per the useful life prescribed under

schedule II of the Companies Act, 2013 on single shift for the financial year ended on March 31, 2015; March 31, 2016; March 31, 2017 and March 31, 2018 till the residual value of the asset is reduced equal to 5% of the original cost.

Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements.

Depreciation on additions and on sale/disposal of fixed assets is computed pro-rata on day-to-day basis from the date of purchase or up to the date of sale.

H. Revenue Recognition

Sale of goods is recognized at the point of dispatch of goods to customers, sales are exclusive of Sales tax, Vat and Freight Charges if any. The revenue and expenditure are accounted on a going concern basis.

Sale of Services is recorded exclusive of Service tax/GST.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept.

Dividend from investments in shares / units is recognized when the company receives it, if any.

Other items of Income are accounted as and when the right to receive arises.

I. Accounting for Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use. As per Companies Act 2013 fixed assets below the value of ₹ 5,000/- has been written off in the books of accounts of the company.

Assets under erection/installation are shown as “Capital Work in Progress” Expenditure during construction period are shown as “pre-operative expenses” to be capitalized on completion of erection/ installations of the assets.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a written down value basis over their estimated useful lives.

J. Accounting for effects of changes in foreign exchange rates

- i. All transactions in foreign currency are recorded at the rates of exchange prevailing at the date of transaction. Any gain/ loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.
- ii. Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currencies outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.
- iii. In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or assets/liabilities.

K. Accounting for Government Grants

Capital subsidiary receivable specific to fixed assets is treated as per accounting standard 12 and other revenue grants is recorded as revenue items.

L. Accounting for Investments

Investments are classified in Long-term and Short-term. Long term Investments are valued at cost. Provision is also made to recognize any diminution other than temporary in the value of such investments. Short term investments are carried at lower of cost and fair value.

M. Employees Retirement Benefit Plan

Provident Fund

Provident fund is a defined contribution scheme as the company pays fixed contribution at pre-determined rates. The obligation of the company is limited to such fixed contribution. The contributions are charged to Profit & Loss A/c.

Leave Encashment

The Management has decided to apply pay-as-you-go method for payment of leave encashment. So amount of leave encashment will be accounted in the Profit & Loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis.

Provision for Gratuity

The Management has decided to apply pay-as-you-go method for payment of gratuity and not followed Projected Unit Credit method. So amount of gratuity will be accounted in the Profit & Loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis and Gratuity to be expanded on pay as you go method and profit and loss is overstated to that effects.

N. Borrowing Cost

Borrowing costs directly attributable to the acquisition of qualifying assets are capitalized till the same is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost is charged to revenue.

O. Segment Reporting

As the Company is dealing in only in manufacturing of Multi Filament Yarns, hence Segment is not applicable to the company.

There are no identical Geographical Segment of the Company as there are no major differences in factors affecting the segment of market.

P. Related Party Disclosure

The Disclosures of Transaction with the related parties as defined in the Accounting Standard are given in Annexure – 30.

Q. Accounting for Leases

The Company has not entered into any lease agreements during the years.

R. Earnings Per Share :-

Disclosure is made in the Annexure 31 as per the requirements of the Accounting Standard - 20.

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

S. Accounting for Taxes on Income

Current Tax

Provision for current tax is made after taken into consideration benefits admissible under the provisions of the Income

Tax Act, 1961.

Deferred Taxes

Deferred Income Tax is provided using the liability method on all temporary difference at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.

1. Deferred Tax Assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available in the future against which this items can be utilized.
2. Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates (and the tax) that have been enacted or enacted subsequent to the balance sheet date.

T. Discontinuing Operations :-

During the years, the company has not discontinued any of its operations.

U. Provisions Contingent liabilities and contingent assets :-

- Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- Contingent Liabilities are not recognized but disclosed in the financial statements.
- Contingent Assets are neither recognized nor disclosed in the financial statements.
- Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

V. Changes in Accounting Policies in the years covered in the restated financials :-

There are no changes in significant accounting policies for the years covered in the restated financials.

W. Notes on accounts as restated

- The financial statements including financial information have been reworked, regrouped, and reclassified wherever considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in financial statements/ information may not be necessarily same as those appearing in the respective audited financial statements for the relevant years.
- Credit and Debit balances of unsecured loans, sundry creditors, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.
- The current maturities of the Secured Long Term Borrowings have been correctly reclassified Current maturities of Long Term Debt (which is shown in other Current Liabilities) and Long Term Borrowings.
- Since the company has taxable income and the liability for the same is more than limit specified for advance tax and the advance tax not paid by the company.
- The company has taken unsecured loan from its directors but for that company has not entered in to any agreement in writing.
- No provision has been made in the books in respect of leave encasement. The amount in respect of the same is not ascertained.
- Under the Micro, Small and Medium Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not properly available, no disclosures have been made in the accounts.
- All assets and liabilities are classified as current and non-current as per the company's normal operating cycle and other criteria set out in the schedule III and the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current – noncurrent classification of assets and liabilities.

Reconciliation of Restated profit

| Particulars | For the Financial Year ended on March 31, | | | | |
|--|---|--------------|--------------|--------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Net profit/(Loss) after Tax as per Audited Profit & Loss Account | 6.06 | 15.90 | 24.69 | 20.49 | 127.73 |
| Adjustments for: | | | | | |
| Prior Period Expenses | -1.23 | 0.63 | 0.77 | 0.89 | - |
| Income Tax Provision | 0.24 | 0.20 | -0.15 | 0.23 | 0.43 |
| Deferred Tax Liability / Asset Adjustment | -3.47 | -1.97 | -7.51 | -6.44 | 25.41 |
| MAT Credit Adj. | 0.57 | 5.71 | 7.01 | 6.41 | -5.41 |
| Net Profit/ (Loss) After Tax as Restated | 2.18 | 20.47 | 24.81 | 21.58 | 148.15 |

1. Income Tax Provision

In Each Financial Year, there payment of Minimum Alternative Tax (MAT) only, the credit of which is available to the Company. So there is expense recognized & income by way of MAT Credit is recognized in the Restated Financial Statements, while in the Audited Financial Statements it is recognized only as an expense.

2. Deferred Tax Liability/ Asset Adjustment

Deferred Tax has been calculated taking into account timing differences arising in one period and capable of reversal in another accounting period and so profit for the periods under restatement have been adjusted accordingly taking into account deferred tax profit /loss. The shortfall or excess in amount of Provision for taxes and deferred tax has been provided in the year in which it should be provided.

3. MAT credit Entitlement

In the restatements for the purpose of calculation purpose MAT has been worked out and taxation rate applied of Company only and hence the Credit has been recognized in the books of accounts as per the MAT credit entitlement guidelines as required.

4. To Give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated financial statements, wherever required by 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 financials of the company for all the years and the requirements of the securities and Exchange board of India (Issue of Capital and Disclosure Requirement) Regulations 2009.

Due to changes in accounting policies and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their readjusted amounts have been provided in Tax Shelter.

Restated Statement of Share Capital

| Particulars | As at March 31, | | | | | | | | | |
|--|-----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
| | Number | (₹ in Lakh) | Number | (₹ in Lakh) | Number | (₹ in Lakh) | Number | (₹ in Lakh) | Number | (₹ in Lakh) |
| AUTHORIZED CAPITAL | | | | | | | | | | |
| Equity Shares of ₹ 10 each | 2010000 | 201.00 | 2010000 | 201.00 | 4010000 | 401.00 | 4010000 | 401.00 | 4010000 | 401.00 |
| ISSUED, SUBSCRIBED & PAID UP | | | | | | | | | | |
| Ordinary Share Capital | | | | | | | | | | |
| Equity Shares of ₹10 each | 10000 | 1.00 | 10000 | 1.00 | 2010000 | 201.00 | 2010000 | 201.00 | 2010000 | 201.00 |
| Share Capital With Differential Voting Rights | | | | | | | | | | |
| Class A Equity Share - 1 Share carry 100 Votes | | | | | | | | | | |
| Equity Shares of ₹10 each | 600000 | 60.00 | 600000 | 60.00 | 600000 | 60.00 | 600000 | 60.00 | 600000 | 60.00 |
| Class B Equity Share - 100 Shares carry 1 Vote | | | | | | | | | | |
| Equity Shares of ₹10 each | 1400000 | 140.00 | 1400000 | 140.00 | 1400000 | 140.00 | 1400000 | 140.00 | 1400000 | 140.00 |
| Total | 2010000 | 201.00 | 2010000 | 201.00 | 4010000 | 401.00 | 4010000 | 401.00 | 4010000 | 401.00 |
| Reconciliation of Number of Equity Shares | | | | | | | | | | |
| Shares outstanding at the beginning of the year | 1010000 | 101.00 | 2010000 | 201.00 | 2010000 | 201.00 | 3010000 | 301.00 | 4010000 | 401.00 |
| Shares Issued during the year | 1000000 | 100.00 | - | - | 1000000 | 100.00 | 1000000 | 100.00 | - | - |
| Shares bought back during the year | - | - | - | - | - | - | - | - | - | - |
| Shares outstanding at the end of the year | 2010000 | 201.00 | 2010000 | 201.00 | 3010000 | 301.00 | 4010000 | 401.00 | 4010000 | 401.00 |

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of Shareholders | As at March 31, | | | | | | | | | |
|---|-----------------|--------|--------|--------|--------|--------|---------|--------|---------|--------|
| | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
| | Number | % | Number | % | Number | % | Number | % | Number | % |
| (a) With Voting Right | | | | | | | | | | |
| Ankit Anil Somani | 455000 | 22.64% | 455000 | 22.64% | 975000 | 32.39% | 975000 | 24.31% | 1575000 | 39.28% |
| Preeti Somani | 155000 | 7.71% | 155000 | 7.71% | 300000 | 9.97% | 255000 | 6.36% | 255000 | 6.36% |
| Akshay Somani | | | | | 330000 | 10.96% | 330000 | 8.23% | 780000 | 19.45% |
| Anil Somani | | | | | | | 1000000 | 24.94% | 1200000 | 29.93% |
| (b) With Differential Voting Right | | | | | | | | | | |
| Lawa Marketing Private Limited | 600000 | 29.85% | 600000 | 29.85% | 600000 | 19.93% | 600000 | 14.96% | - | - |
| Blue Rose Sales Private Limited | 450000 | 22.39% | 450000 | 22.39% | 450000 | 14.95% | 450000 | 11.22% | - | - |
| Circular Tie up Private Limited | 150000 | 7.46% | 150000 | 7.46% | | | | | - | - |

| Name of Shareholders | As at March 31, | | | | | | | | | |
|----------------------------------|-----------------|-------|--------|-------|--------|-------|--------|-------|--------|---|
| | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
| | Number | % | Number | % | Number | % | Number | % | Number | % |
| Crystal Dealmark Private Limited | 200000 | 9.95% | 200000 | 9.95% | 200000 | 6.64% | 200000 | 4.99% | - | - |

Annexure – 7

Restated Statement of Reserve and Surplus

(₹ in Lakh)

| Particulars | As at March 31, | | | | |
|--|-----------------|--------------|--------------|--------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| A. Surplus | | | | | |
| Opening balance | (0.79) | 1.39 | 21.62 | 46.23 | 67.55 |
| (+) Net Profit/(Net Loss) For the current year | 2.18 | 20.47 | 24.81 | 21.58 | 148.15 |
| (+) Tax Provision Set Off | - | 0.23 | 0.20 | 0.26 | 0.26 |
| (-) Adjustment in F.A as per Companies Act, 2013 | - | - | - | - | - |
| Closing Balance | 1.39 | 21.62 | 46.23 | 67.55 | 215.45 |
| Total | 1.39 | 21.62 | 46.23 | 67.55 | 215.45 |

Annexure – 8

Restated Statement of Long Term Borrowings

(₹ in Lakh)

| Particulars | As at March 31, | | | | |
|--|-----------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Secured | | | | | |
| (a) Term loans | | | | | |
| From Bank | | | | | |
| Dena Bank Term Loan A/c-23756 (Repayable in 63 equal monthly installments) | 105.91 | 85.15 | 58.48 | 31.82 | 5.15 |
| Dena Bank Term Loan A/c-23759 (Repayable in 72 equal monthly installments) | 137.14 | 141.35 | 112.60 | 83.85 | 55.10 |
| Dena Bank Term Loan A/c-23763 (Repayable in 72 equal monthly installments) | - | - | 194.75 | 241.43 | 188.38 |
| (b) Car Loan | | | | | |
| From Bank | | | | | |
| Punjab National Bank | 4.80 | - | - | - | - |
| (Repayable in 84 equal monthly installments) | | | | | |
| HDFC Skoda Car Loan | - | 7.12 | 2.82 | 23.75 | 18.25 |
| (Repayable in 84 equal monthly installments) | | | | | |
| (C) Other Loans and advances | - | - | - | - | - |
| Sub-total (a) | 247.85 | 233.62 | 368.66 | 380.84 | 266.89 |
| Unsecured | | | | | |
| (a) From Financial Institutions | | | | | |
| IndusInd Bank | - | - | 14.01 | 0.97 | - |

| Particulars | As at March 31, | | | | |
|--|-----------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Magma Finecorp Limited | - | - | - | - | 12.41 |
| (b) From Promoters/ Promoters Group/ Group Companies/ Directors & their Relatives | 8.30 | 2.35 | 35.23 | 29.38 | 87.18 |
| (c) Other Loans and advances | | | | | |
| Crystal Dealmark Private Limited | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 |
| Intech Project Services Private Limited | - | 25.00 | 25.00 | 25.00 | 25.00 |
| Crystal Quinone Private Limited (Loan) | | | 35.00 | 50.00 | - |
| ACE Infracon Products Unsecured (Loan) | - | - | - | - | 65.00 |
| ACE Polymers (Loan) | | | | 45.00 | - |
| Sub-total (b) | 28.30 | 47.35 | 129.24 | 170.36 | 209.59 |
| Total | 276.15 | 280.97 | 497.90 | 551.20 | 476.48 |

Nature of Security and Terms of Repayment for Long Term Borrowings

Annexure – 8.1

| Sr. No. | Lender | Nature of facility | Date of Original Sanction of Loan | Amount outstanding as at March 31, 2018 towards | | Rate of interest (%) | Repayment terms | Security/Principal terms and conditions |
|---------|-------------------|--------------------|-----------------------------------|---|--|----------------------|---|--|
| | | | | Long Term Borrowing (₹ in Lakhs) | Other Current Liabilities (₹ in Lakhs) | | | |
| 1 | Dena Bank | Term Loan | January 28, 2014 | 5.15 | 26.66 | 12.00% | Payable in 63 monthly instalments of ₹ 2.22 Lakhs /-. | Hypothecation of Present and Future Plant and Machineries of the Company |
| 2 | Dena Bank | Term Loan | January 28, 2014 | 55.10 | 28.75 | 12.00% | Payable in 72 monthly instalments of ₹ 2.40 Lakhs/-. | Hypothecation of Present and Future Plant and Machineries of the Company |
| 3 | Dena Bank | Term Loan | October 31, 2015 | 188.38 | 56.67 | 12.00% | Payable in 72 monthly instalments of ₹ 4.72 Lakhs/- commencing from August 2016 | Hypothecation of Present and Future Plant and Machineries and other movable fixed assets costing aggregating ₹ 453.50 Lakhs as well as existing machinery and any future additions |
| 4 | HDFC Bank Limited | Car Loan | September 15, 2016 | 18.25 | 5.49 | 9.25% | Payable in 60 monthly instalments of ₹ 0.66 Lakh/- commencing from October 2016 | Hypothecation of Car |

Notes:

- The figures disclosed above are based on the Statements of Assets and Liabilities as Restated of the Company.
- The rate of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.

Annexure – 9
(₹ in Lakh)

Restated Statement of Differed Tax Liabilities (Net)

| Particulars | As at March 31, | | | | |
|--|-----------------|--------------|--------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| WDV as per book | 372.86 | 371.95 | 714.75 | 996.74 | 907.37 |
| WDV as per IT | 317.33 | 265.10 | 608.74 | 758.93 | 662.62 |
| Time Difference | 55.53 | 106.85 | 106.01 | 237.81 | 244.74 |
| Disallowance u/s 43B | 0.15 | 0.31 | - | 0.45 | 0.06 |
| Brought forward Unabsorbed Loss & Depreciation | (53.01) | (73.67) | (33.69) | (126.94) | - |
| Total | 2.66 | 33.49 | 72.32 | 111.31 | 244.80 |
| As per B/S (Liability)/(Asset) | 0.82 | 10.35 | 22.35 | 34.40 | 63.04 |
| Transfer to P & L A/c (Loss)/(Profit) | 0.82 | 9.53 | 12.00 | 12.05 | 28.64 |

Annexure – 10
(₹ in Lakh)

Restated Statement of Short Term Borrowings

| Particulars | As at March 31, | | | | |
|--|-----------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Secured | | | | | |
| (a) Working Capital Loans | | | | | |
| from banks | | | | | |
| Dena Bank - CC Account-3774 | 183.04 | 170.96 | 323.33 | 488.74 | 1.45 |
| Dena Bank - LC Account | - | - | - | 103.49 | 72.36 |
| Yes Bank - CC Account | - | - | - | - | 235.67 |
| | 183.04 | 170.96 | 323.33 | 592.23 | 309.49 |
| Unsecured | | | | | |
| (b) From Promoters/ Promoters Group/ Group Companies/ Directors & their Relatives | - | - | - | - | - |
| (c) Loans and advances from others | - | - | - | - | - |
| Intech Project Services Private Limited | 15.00 | - | - | - | - |
| Crystal Developer Private Limited | - | - | - | - | - |
| Total | 198.04 | 170.96 | 323.33 | 592.23 | 309.49 |

Nature of Security and Terms of Repayment for Short Term Borrowings
Annexure – 10.1

| Lender | Nature of facility | Date of Original Sanction of Facility | Purpose | Amount outstanding as at March 31, 2018 (₹ in Lakh) | Charges for facility | Security / Principal terms and conditions |
|-----------|------------------------------------|---------------------------------------|----------------------|---|--|---|
| Dena Bank | Working Capital Loan (Cash Credit) | January 28, 2014 | Working Capital Loan | 1.45 | Base rate +2.65 i.e. 12.90% at present subject to change as per HO guidelines duly applicable to DB VI rating Present Base Rate is 10.25%. | Primary Security CCH (Stock): Hypothecation of stock of raw materials, semi-finished goods finished goods, stores, spares, packing material used for manufacturing. CCH (Book Debts): Hypothecation of all Book Debts. However, no DP to be allowed against debtors beyond 90 days. |
| Dena Bank | Letter of Credit | January 28, 2014 | Letter of Credit | 72.36 | As per H.O. Circulars/FEDAI Rules from time to time | Documentary Bills of the issuance up to 90 days accompanied by bill of Lading, Airway, Bills, Railway Receipts, Motor Transport Receipt of the approved transport operators or challan receipted by Shubham Polyspin Private Limited, covering the consignment/dispatches of raw materials/other goods imported/purchased locally under the above arrangement to be delivered to the borrower against payment/acceptance as the case may be. |
| Yes Bank | Cash Credit | February 22, 2018 | Working Capital Loan | 235.67 | Prevailing 1 year MCLR plus 0.35% (Yearly MCLR at present being 9.15 p.a.) i.e. presently at the rate of 9.50%. | 1) Exclusive Hypothecation charge on Current Assets and Movable Fixed Assets both present and future. 2) Equitable mortgage on Industrial Factory Land and Building at Block No. 748/P Saket Industrial Estate Kadi Thol Road, Mouje Borisana, Tal: Kadi Dist: Mehsana. 3) Equitable Mortgage of Residential Flat No. E/33, 3rd Floor, Amaltas Flats, Kanji Maharaj Co-op. Society Limited, V-6, B/h Fun Republic, Satellite, Ahmedabad. 4) Equitable mortgage of Residential Villa No. D-001, The North Park, Jaspur/ Dantalli Village, Ta Kalol, Dist. Gandhinagar (Property is cross collateralized with Home loan exposure of Anil Somani and Family members - INR 16 MM). 5) Negative Lien on Industrial Factory and Land located at revenue survey no. 415/2, block no. 554 paiki 2 mouje Vadsar, Taluka Kalol, Dist. Mehsana. 6) Negative Lien on Residential Flat Flat No. B/3/3, FF, 3rd Floor, Parth Indraprasth Tower, Near Drive in Road Vastrapur, Ahmedabad. 7) Negative Lien on Industrial Plot no. 25, Green Industrial Park (GIP), Jadcheria, Polepally, Telangana. 8) Negative Lien on residential Plot No. 815, Sector R. Mahalaxmi Nagar.Pipala Kumar, MR-11 road, Indore. 9) Negative Lien on Commercial Shop No. 6, Ratnadeep Apartment, Ground floor, Plot No. A-1, Indira Complex, AB Road, Indore. |

Notes:

- i. The figures disclosed above are based on the Statements of Assets and Liabilities as Restated of the Company.
- ii. The rate of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.

Annexure – 11
(₹ in Lakh)

Restated Statement of Trade Payables

| Particulars | As at March 31, | | | | |
|---|-----------------|--------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Micro, Small and Medium Enterprise | | | | | |
| (a) From Promoters/Promoter Group/Group Companies | - | - | 9.90 | 9.74 | - |
| Others | | | | | |
| (a) From Promoters/Promoter Group/Group Companies | - | - | - | - | - |
| (b) From Others | - | - | - | - | - |
| Sundry Creditors for Goods | 4.30 | 22.58 | 56.73 | 152.15 | 137.73 |
| Sundry Creditors for Expenses | 6.97 | 7.30 | 67.66 | 39.59 | 8.25 |
| Total | 11.27 | 29.88 | 134.28 | 201.48 | 145.97 |

Annexure – 12
(₹ in Lakh)

Restated Statement of Other Current Liabilities

| Particulars | As at March 31, | | | | |
|---|-----------------|--------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| (i) Current maturities of Long Term Debt (i.e. Term Liability classified as current) | 56.28 | 56.46 | 75.36 | 134.65 | 130.16 |
| (ii) Statutory Dues Payable | 4.56 | 4.91 | 6.86 | 14.93 | 1.71 |
| (iii) Advanced from Customers | 4.31 | - | - | - | - |
| (iv) Sundry Creditors for Capital Goods | - | 0.08 | 24.15 | 6.21 | 0.79 |
| (v) Other Payables | 0.99 | 0.91 | 0.89 | 0.27 | 13.36 |
| Total | 66.15 | 62.36 | 107.26 | 156.06 | 146.02 |

Annexure – 13
(₹ in Lakh)

Restated Statement of Short Term Provisions

| Particulars | As at March 31, | | | | |
|------------------------------------|-----------------|------|------|------|------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Provision For | | | | | |
| (a) Employee benefits | | | | | |
| (i) Contribution to PF | - | - | - | 1.10 | 0.23 |
| (ii) Wages | - | - | 1.39 | 4.00 | 4.89 |
| (iii) Labour Charges | - | - | - | - | 3.79 |
| (iv) Labour Welfare Fund | - | - | 0.00 | 0.00 | - |
| (b) Others (Specify nature) | | | | | |
| (i) Income Tax | 0.57 | 5.71 | 7.01 | 6.41 | 7.45 |

| Particulars | As at March 31, | | | | |
|-----------------|-----------------|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| (ii) Audit Fees | 0.28 | 0.28 | 0.28 | 0.29 | 0.47 |
| (iii) Expenses | 2.84 | 6.74 | 6.03 | 13.73 | 9.41 |
| Total | 3.69 | 12.73 | 14.71 | 25.53 | 26.23 |

Annexure – 14

Restated Statement of Fixed Assets

(₹ in Lakh)

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block | | |
|---------------------------------|-----------------------------|---------------|--------------|------------------------------|-----------------------------|----------------------------------|------------|--------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2013 | Additions | Disposals | Balance as at March 31, 2014 | Balance as at April 1, 2013 | Depreciation charge for the year | Adjustment | On disposals | Balance as at March 31, 2014 | Balance as at March 31, 2014 | Balance as at March 31, 2013 |
| Tangible Assets | | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - | - | - |
| Building & Godown | 13.96 | 4.84 | - | 18.79 | 0.17 | 0.78 | - | - | 0.95 | 17.84 | 13.78 |
| Vehicles | 7.86 | 0.04 | - | 7.90 | 0.26 | 0.75 | - | - | 1.01 | 6.89 | 7.60 |
| Civil Work | - | 4.39 | - | 4.39 | - | 0.02 | - | - | 0.02 | 4.37 | - |
| Computer | 0.35 | 0.60 | - | 0.95 | 0.02 | 0.08 | - | - | 0.10 | 0.85 | 0.33 |
| Machinery | 208.71 | 150.12 | 19.46 | 339.38 | 3.45 | 11.71 | - | - | 15.16 | 324.22 | 205.27 |
| Furniture & Fixtures | 0.93 | - | - | 0.93 | 0.02 | 0.06 | - | - | 0.08 | 0.85 | 0.91 |
| Intangible Assets | | | | | | | | | | | |
| Software | 0.15 | 0.18 | - | 0.33 | 0.01 | 0.03 | - | - | 0.04 | 0.29 | 0.14 |
| Capital Work-in-progress | - | 17.53 | - | 17.53 | - | - | - | - | - | 17.53 | - |
| Total | 231.96 | 177.70 | 19.46 | 390.20 | 3.93 | 13.42 | - | - | 17.35 | 372.86 | 228.03 |

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block | | |
|------------------------|-----------------------------|-----------|-----------|------------------------------|-----------------------------|----------------------------------|------------|--------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2014 | Additions | Disposals | Balance as at March 31, 2015 | Balance as at April 1, 2014 | Depreciation charge for the year | Adjustment | On disposals | Balance as at March 31, 2015 | Balance as at March 31, 2015 | Balance as at March 31, 2014 |
| Tangible Assets | | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - | - | - |
| Building & Godown | 18.79 | 0.13 | - | 18.93 | 0.95 | 1.89 | - | - | 2.84 | 16.09 | 17.84 |
| Vehicles | 7.90 | 10.10 | 7.86 | 10.14 | 1.01 | 1.16 | - | 1.54 | 0.62 | 9.52 | 6.89 |
| Civil Work | 4.39 | - | - | 4.39 | 0.02 | 0.14 | - | - | 0.16 | 4.24 | 4.37 |
| Computer | 0.95 | 0.76 | - | 1.71 | 0.10 | 0.37 | - | - | 0.47 | 1.24 | 0.85 |
| Machinery | 339.38 | 200.19 | 150.00 | 389.58 | 15.16 | 36.03 | - | 1.36 | 49.83 | 339.75 | 324.22 |

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|---------------------------------|-----------------------------|---------------|---------------|------------------------------|-----------------------------|----------------------------------|------------|--------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2014 | Additions | Disposals | Balance as at March 31, 2015 | Balance as at April 1, 2014 | Depreciation charge for the year | Adjustment | On disposals | Balance as at March 31, 2015 | Balance as at March 31, 2015 | Balance as at March 31, 2014 |
| Furniture & Fixtures | 0.93 | 0.16 | - | 1.10 | 0.08 | 0.11 | - | - | 0.18 | 0.91 | 0.85 |
| Intangible Assets | | | | | | | | | | | |
| Software | 0.33 | - | - | 0.33 | 0.04 | 0.08 | - | - | 0.11 | 0.22 | 0.29 |
| Capital Work-in-progress | 17.53 | - | 17.53 | - | - | - | - | - | - | - | 17.53 |
| Total | 390.20 | 211.35 | 175.39 | 426.17 | 17.35 | 39.77 | - | 2.90 | 54.22 | 371.95 | 372.86 |

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|---------------------------------|-----------------------------|---------------|-----------|------------------------------|-----------------------------|----------------------------------|------------|--------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2015 | Additions | Disposals | Balance as at March 31, 2016 | Balance as at April 1, 2015 | Depreciation charge for the year | Adjustment | On disposals | Balance as at March 31, 2016 | Balance as at March 31, 2016 | Balance as at March 31, 2015 |
| Tangible Assets | | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - | - | - |
| Building & Godown | 18.93 | - | - | 18.93 | 2.84 | 1.89 | - | - | 4.72 | 14.20 | 16.09 |
| Vehicles | 10.14 | - | - | 10.14 | 0.62 | 1.20 | - | - | 1.82 | 8.32 | 9.52 |
| Civil Work | 4.39 | - | - | 4.39 | 0.16 | 0.14 | - | - | 0.30 | 4.10 | 4.24 |
| Computer | 1.71 | 0.29 | - | 2.00 | 0.47 | 0.63 | - | - | 1.10 | 0.90 | 1.24 |
| Machinery | 389.58 | 0.60 | - | 390.17 | 49.83 | 36.09 | - | - | 85.92 | 304.25 | 339.75 |
| Furniture & Fixtures | 1.10 | - | - | 1.10 | 0.18 | 0.11 | - | - | 0.29 | 0.80 | 0.91 |
| Intangible Assets | | | | | | | | | | | |
| Software | 0.33 | - | - | 0.33 | 0.11 | 0.10 | - | - | 0.22 | 0.11 | 0.22 |
| Capital Work-in-progress | - | 382.07 | - | 382.07 | - | - | - | - | - | 382.07 | - |
| Total | 426.17 | 382.96 | - | 809.13 | 54.22 | 40.16 | - | - | 94.38 | 714.75 | 371.95 |

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|------------------------|-----------------------------|-----------|-----------|------------------------------|-----------------------------|----------------------------------|------------|--------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2016 | Additions | Disposals | Balance as at March 31, 2017 | Balance as at April 1, 2016 | Depreciation charge for the year | Adjustment | On disposals | Balance as at March 31, 2017 | Balance as at March 31, 2017 | Balance as at March 31, 2016 |
| Tangible Assets | | | | | | | | | | | |
| Land | - | 80.96 | - | 80.96 | - | - | - | - | - | 80.96 | - |
| Building & Godown | 18.93 | 94.41 | - | 113.34 | 4.72 | 4.63 | - | - | 9.35 | 103.99 | 14.20 |

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|---------------------------------|-----------------------------|-----------------|---------------|------------------------------|-----------------------------|----------------------------------|---------------|--------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2016 | Additions | Disposals | Balance as at March 31, 2017 | Balance as at April 1, 2016 | Depreciation charge for the year | Adjustment | On disposals | Balance as at March 31, 2017 | Balance as at March 31, 2017 | Balance as at March 31, 2016 |
| Vehicles | 10.14 | 35.62 | 10.10 | 35.66 | 1.82 | 1.97 | (1.82) | - | 1.97 | 33.69 | 8.32 |
| Civil Work | 4.39 | 129.11 | - | 133.50 | 0.30 | 2.83 | - | - | 3.13 | 130.37 | 4.10 |
| Computer | 2.00 | 1.67 | - | 3.67 | 1.10 | 0.86 | - | - | 1.96 | 1.70 | 0.90 |
| Machinery | 390.17 | 397.37 | - | 787.55 | 85.92 | 59.58 | - | - | 145.50 | 642.05 | 304.25 |
| Furniture & Fixtures | 1.10 | 3.12 | - | 4.21 | 0.29 | 0.21 | - | - | 0.50 | 3.71 | 0.80 |
| Intangible Assets | | | | | | | | | | | |
| Software | 0.33 | 0.36 | - | 0.69 | 0.22 | 0.22 | - | - | 0.44 | 0.25 | 0.11 |
| Capital Work-in-progress | 382.07 | 337.73 | 719.80 | - | - | - | - | - | - | - | 382.07 |
| Total | 809.13 | 1,080.35 | 729.90 | 1,159.58 | 94.38 | 70.29 | (1.82) | - | 162.85 | 996.74 | 714.75 |

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|---------------------------------|-----------------------------|--------------|--------------|------------------------------|-----------------------------|----------------------------------|------------|--------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2017 | Additions | Disposals | Balance as at March 31, 2018 | Balance as at April 1, 2017 | Depreciation charge for the year | Adjustment | On disposals | Balance as at March 31, 2018 | Balance as at March 31, 2018 | Balance as at March 31, 2017 |
| Tangible Assets | | | | | | | | | | | |
| Land | 80.96 | - | - | 80.96 | - | - | - | - | - | 80.96 | 80.96 |
| Building & Godown | 113.34 | 0.81 | 0.16 | 113.99 | 9.35 | 4.75 | - | - | 14.10 | 99.89 | 103.99 |
| Vehicles | 35.66 | - | - | 35.66 | 1.97 | 4.24 | - | - | 6.21 | 29.46 | 33.69 |
| Civil Work | 133.50 | 2.17 | - | 135.67 | 3.13 | 7.79 | - | - | 10.91 | 124.76 | 130.37 |
| Computer | 3.67 | 0.39 | - | 4.05 | 1.96 | 0.66 | - | - | 2.63 | 1.43 | 1.70 |
| Machinery | 787.55 | 6.72 | 27.95 | 766.31 | 145.50 | 68.63 | - | - | 214.13 | 552.19 | 642.05 |
| Furniture & Fixtures | 4.21 | 2.26 | - | 6.47 | 0.50 | 0.98 | - | - | 1.48 | 4.99 | 3.71 |
| Intangible Assets | | | | | | | | | | | |
| Software | 0.69 | - | - | 0.69 | 0.44 | 0.08 | - | - | 0.52 | 0.17 | 0.25 |
| Capital Work-in-progress | - | 13.52 | - | 13.52 | - | - | - | - | - | 13.52 | - |
| Total | 1,159.58 | 25.86 | 28.11 | 1,157.33 | 162.85 | 87.12 | - | - | 249.97 | 907.37 | 996.74 |

Annexure – 15
(₹ in Lakh)

Restated Statement of Long Term Loans and Advances

| Particulars | As at March 31, | | | | |
|--|-----------------|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| (Unsecured and Considered Good) | | | | | |
| a. long term loans and advances recoverable from Directors/ Promoters/ Promoter Group/ Associates/ Relatives of Directors/ Group Company | - | - | - | - | - |
| b. Balance with Government Authorities | - | - | - | - | - |
| D. Deposits | 13.53 | 13.53 | 16.35 | 23.69 | 23.69 |
| D. Other Loans & Advances | - | - | - | - | - |
| Total | 13.53 | 13.53 | 16.35 | 23.69 | 23.69 |

Annexure – 16
(₹ in Lakh)

Restated Statement of Other Non-Current Assets

| Particulars | As at March 31, | | | | |
|------------------------------------|-----------------|-------------|-------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Preliminary Expenses | 0.38 | 0.29 | 0.19 | - | 35.55 |
| Add : During Year | - | - | - | 38.09 | - |
| Less : Written off during the year | 0.10 | 0.10 | 0.10 | 2.54 | 2.54 |
| Total | 0.29 | 0.19 | 0.10 | 35.55 | 33.01 |

Annexure – 17
(₹ in Lakh)

Restated Statement of Inventories

| Particulars | As at March 31, | | | | |
|-----------------------------|-----------------|--------------|--------------|--------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Raw Material | 20.00 | 2.74 | 57.05 | 31.85 | 91.80 |
| Stores, Spares & Components | 5.26 | 7.20 | 5.49 | 7.39 | 10.03 |
| Semi-Finished Goods | 6.52 | 4.24 | 0.17 | 0.11 | 0.24 |
| Finished Goods | 6.57 | 5.98 | 16.40 | 14.17 | 20.49 |
| Wastage Goods | 0.09 | 0.14 | 0.58 | 0.76 | 0.45 |
| Total | 38.44 | 20.28 | 79.69 | 54.28 | 123.01 |

Annexure – 18
(₹ in Lakh)

Restated Statement of Trade Receivables

| Particulars | As at March 31, | | | | |
|---|-----------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Outstanding for more than Six Months | | | | | |
| a. Secured, Considered Good | - | - | - | - | - |
| b. Unsecured, Considered Good | 7.82 | 7.45 | 8.30 | 5.77 | 36.85 |
| c. Doubtful | - | - | - | - | - |
| Others | | | | | |
| a. Secured, Considered Good | - | - | - | - | - |
| b. Unsecured, Considered Good | 182.96 | 274.95 | 379.89 | 495.77 | 337.70 |
| c. Doubtful | - | - | - | - | - |
| Total | 190.78 | 282.41 | 388.19 | 501.54 | 374.55 |

Annexure – 19
(₹ in Lakh)

Restated Statement of Cash and Cash Equivalents

| Particulars | As at March 31, | | | | |
|-------------------------------------|-----------------|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| a. Cash and Cash Equivalents | | | | | |
| (i) Cash on Hand | 3.96 | 11.66 | 3.86 | 0.32 | 7.75 |
| (ii) Balance with Banks | 0.25 | 0.38 | 0.29 | 8.20 | 0.44 |
| b. Other Bank Balances | | | | | |
| (i) Fixed Deposit Accounts | - | 10.11 | 18.37 | 12.00 | 16.37 |
| (ii) Deposit for Bank Guarantee | - | 1.06 | 1.15 | 1.29 | 1.38 |
| Total | 4.21 | 23.21 | 23.67 | 21.81 | 25.94 |

Annexure – 20
(₹ in Lakh)

Restated Statement of Short Term Loans and Advances

| Particulars | As at March 31, | | | | |
|---|-----------------|-------|-------|-------|--------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| (Unsecured and Considered Good) | | | | | |
| a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company | - | - | - | - | - |
| b. Balance with Government Authorities | 47.59 | 54.44 | 52.77 | 87.86 | 207.51 |
| c. Deposits | - | - | | 1.14 | |
| d. Others (specify nature) | | | | | |
| Advance For Fixed Assets | 4.07 | - | - | - | - |

| Particulars | As at March 31, | | | | |
|-------------------------------|-----------------|--------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Advance to Suppliers | 55.10 | 20.15 | 2.58 | 299.67 | 65.90 |
| Advance for Capital Goods | - | - | 60.18 | 0.50 | 11.00 |
| Loans & Advances To Employees | - | - | - | - | 0.56 |
| Others | 30.73 | 2.45 | 104.50 | 3.96 | 8.46 |
| Total | 137.48 | 77.04 | 220.03 | 393.13 | 293.43 |

Annexure – 21
(₹ in Lakh)

Restated Statement of Other Current Assets

| Particulars | As at March 31, | | | | |
|--|-----------------|-------------|-------------|-------------|-------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| (a) Interest Receivable on GEB Deposit | 0.69 | 0.74 | 0.74 | 1.56 | 1.19 |
| (b) Prepaid Expenses | 0.22 | 0.52 | 3.52 | 1.15 | 1.47 |
| Total | 0.92 | 1.26 | 4.26 | 2.71 | 2.66 |

Annexure – 22
(₹ in Lakh)

Restated Statement of Revenue From Operations

| Particulars | For the Financial Year ended on March 31, | | | | |
|--|---|-----------------|-----------------|-----------------|-----------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Sale of Products | 645.93 | 1,439.34 | 1,681.79 | 1,707.39 | 2,479.55 |
| Less: Excise duty | 67.57 | 160.71 | 158.44 | 63.55 | - |
| Sub Total (a) | 578.37 | 1,278.63 | 1,523.35 | 1,643.84 | 2,479.55 |
| Sale of Services | 36.31 | 49.23 | 14.24 | 107.55 | 208.10 |
| Sub Total (b) | 36.31 | 49.23 | 14.24 | 107.55 | 208.10 |
| Other Operating Revenues – Quality Compensation | | | | | 1.17 |
| Sub Total (c) | - | - | - | - | 1.17 |
| Total (a+b+c) | 614.68 | 1,327.86 | 1,537.59 | 1,751.39 | 2,688.81 |

Annexure – 22.1
(₹ in Lakh)

Restated Statement of Particulars Sale of Product

| Particulars | For the Financial Year ended on March 31, | | | | |
|-------------------------|---|----------|----------|----------|----------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Sale of Products | | | | | |
| Finished Good Sales | 518.85 | 1,123.72 | 1,414.46 | 1,547.40 | 1,820.05 |
| Wastage Sales | 2.73 | 4.38 | 4.46 | - | 9.35 |
| Resale | 56.79 | 150.54 | 104.43 | 96.44 | 650.14 |

| Particulars | For the Financial Year ended on March 31, | | | | |
|-------------------------|---|-----------------|-----------------|-----------------|-----------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Sale of Services | | | | | |
| Job work Charges | 36.31 | 49.23 | 14.24 | 107.55 | 208.10 |
| Total | 614.68 | 1,327.86 | 1,537.59 | 1,751.39 | 2,687.65 |

Annexure – 22.2

Bifurcation of Domestic & Export Sales

(₹ in Lakh)

| Particulars | For the Financial Year ended on March 31, | | | | |
|-------------------------|---|-----------------|-----------------|-----------------|-----------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Sale of Products | | | | | |
| Domestic Sales | | | | | |
| Finished Good Sales | 482.12 | 999.17 | 1,145.88 | 1,363.69 | 1,503.69 |
| Wastage Sales | 2.73 | 4.38 | 4.46 | - | 9.35 |
| Resale | 56.79 | 150.54 | 104.43 | 96.44 | 650.14 |
| Sub Total (a) | 541.64 | 1,154.09 | 1,254.77 | 1,460.13 | 2,163.18 |
| Export Sales | 36.73 | 124.55 | 268.58 | 183.71 | 316.37 |
| Sub Total (b) | 36.73 | 124.55 | 268.58 | 183.71 | 316.37 |
| Sale of Services | | | | | |
| Job work Charges | 36.31 | 49.23 | 14.24 | 107.55 | 208.10 |
| Sub Total (c) | 36.31 | 49.23 | 14.24 | 107.55 | 208.10 |
| Total (a+b+c) | 614.68 | 1,327.86 | 1,537.59 | 1,751.39 | 2,687.65 |

Annexure – 23

Restated Statement of Other Income

(₹ in Lakh)

| Particulars | For the Financial Year ended on March 31, | | | | |
|----------------------------------|---|-------|------|-------|-------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Interest Income | | | | | |
| Interest Income | - | - | - | - | 12.00 |
| Interest Income on Fixed Deposit | - | 0.13 | 1.65 | 1.21 | 0.85 |
| Interest Income on GEB Deposit | 0.77 | 0.82 | 0.83 | 1.73 | 1.32 |
| Interest Subsidy Income | 7.89 | 16.30 | - | 14.75 | 56.09 |
| Interest on IT Refund | - | 0.02 | - | - | - |
| Other Income | | | | | |
| Bad Debt Recovered Income | - | 0.74 | - | - | - |
| Cash Discount Account | - | - | - | - | - |
| Discount Received | 2.56 | - | - | - | 0.06 |

| Particulars | For the Financial Year ended on March 31, | | | | |
|-------------------------------|---|--------------|-------------|--------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Excise Duty Refund Income | 0.22 | - | - | - | - |
| Foreign Exchange Gain | - | 1.94 | 0.33 | 1.28 | 10.17 |
| GEB Duty Exemption | - | 6.76 | - | - | - |
| General Tax Remittance Income | - | - | 0.04 | - | - |
| Government Grant | - | - | - | - | 55.35 |
| Kasar | - | 0.00 | 0.01 | 0.03 | - |
| Rate Difference | - | - | - | - | 2.35 |
| Sale of Duty free License | - | - | - | 0.81 | - |
| Weight Difference | - | 0.01 | - | - | - |
| Total | 11.45 | 26.71 | 2.86 | 19.80 | 138.19 |

Annexure – 23.1

(₹ in Lakh)

Restated details of Other Income

| Particulars | For the Financial Year ended on March 31, | | | | |
|-----------------------------------|---|------------|-----------|------------|------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Other income | 11.45 | 26.71 | 2.86 | 19.80 | 138.19 |
| Net Profit Before Tax as Restated | 3.00 | 29.99 | 36.81 | 33.63 | 176.79 |
| Percentage | 381% | 89% | 8% | 59% | 78% |

Source of Income

(₹ in Lakh)

| Particulars | For the Financial Year ended on March 31, | | | | |
|----------------------------------|---|--------------|-------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Bad Debt Recovered Income | - | 0.74 | - | - | - |
| Cash Discount Account | 2.38 | 1.71 | - | - | - |
| Discount Received | 23.70 | 19.20 | - | - | 0.06 |
| Excise Duty Refund Income | 0.22 | - | - | - | - |
| Foreign Exchange Gain | - | 1.94 | 0.33 | 1.28 | 10.17 |
| GEB Duty Exemption | - | 6.76 | - | - | - |
| General Tax Remittance Income | - | - | 0.04 | - | - |
| Government Grant | - | - | - | - | 55.35 |
| Interest Income | - | - | - | - | 12.00 |
| Interest Income on Fixed Deposit | - | 0.13 | 1.65 | 1.21 | 0.85 |
| Interest Income on GEB Deposit | 0.77 | 0.82 | 0.83 | 1.73 | 1.32 |
| Interest Subsidy Income | 7.89 | 16.30 | - | 14.75 | - |
| Kasar | - | 0.00 | 0.01 | 0.03 | - |
| Rate Difference | - | - | - | - | 2.35 |
| Sale of Duty-free License | - | - | - | 0.81 | - |
| Weight Difference | - | 0.01 | - | - | - |
| Profit on Sale of Fixed Asset | - | 1.36 | - | - | - |
| Interest on IT Refund | - | 0.02 | - | - | - |
| Total Other income | 34.97 | 48.99 | 2.86 | 19.80 | 82.10 |

Note:

All above Other Incomes are “Not recurring and related to Business Activity of the Company”.

Annexure – 24
(₹ in Lakh)

Restated Statement of Cost of Material Consumed

| Particulars | For the Financial Year ended on March 31, | | | | |
|-------------------------------------|---|-----------------|-----------------|-----------------|-----------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Raw Material | | | | | |
| Opening Stock of Raw Material | 13.23 | 20.00 | 2.74 | 57.05 | 31.85 |
| Add: Purchase of Raw Material | 449.80 | 985.68 | 1,160.70 | 1,249.54 | 2,042.56 |
| Less: Closing Stock of Raw Material | 20.00 | 2.74 | 57.05 | 31.85 | 91.80 |
| Total Material Consumed | 443.03 | 1,002.94 | 1,106.39 | 1,274.73 | 1,982.61 |

Annexure – 25
(₹ in Lakh)

Restated Statement of Changes In Inventories

| Particulars | For the Financial Year ended on March 31, | | | | |
|---|---|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Inventories at the end of the year | | | | | |
| Finished Goods | 6.57 | 5.98 | 16.40 | 14.17 | 20.49 |
| Wastage Goods | 0.09 | 0.14 | 0.58 | 0.76 | 0.45 |
| Semi-Finished Goods | 6.52 | 4.24 | 0.17 | 0.11 | 0.24 |
| | 13.18 | 10.35 | 17.15 | 15.03 | 21.19 |
| Inventories at the beginning of the year | | | | | |
| Finished Goods | 6.56 | 6.57 | 5.98 | 16.40 | 14.17 |
| Wastage Goods | 0.06 | 0.09 | 0.14 | 0.58 | 0.76 |
| Semi-Finished Goods | 6.88 | 6.52 | 4.24 | 0.17 | 0.11 |
| | 13.50 | 13.18 | 10.35 | 17.15 | 15.03 |
| Net(Increase)/decrease | 0.33 | 2.82 | -6.80 | 2.12 | -6.15 |

Annexure – 26
(₹ in Lakh)

Restated Statement of Employee Benefits Expenses

| Particulars | For the Financial Year ended on March 31, | | | | |
|--|---|--------------|--------------|--------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| (a) Salaries and Wages | 19.89 | 33.18 | 41.13 | 53.41 | 98.89 |
| (b) Contributions to Provident Fund & Other Fund | | | | | |
| Provident fund | - | - | - | 0.54 | 1.29 |
| ESIC | - | - | - | - | - |
| (c) Staff welfare expenses | - | 0.57 | 1.63 | - | 4.03 |
| Total | 19.89 | 33.75 | 42.76 | 53.95 | 104.21 |

Annexure – 27
(₹ in Lakh)

Restated Statement of Finance Costs

| Particulars | For the Financial Year ended on March 31, | | | | |
|--------------------------------|---|--------------|--------------|--------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| (a) Interest expense :- | | | | | |
| (i) Borrowings / bank int.(CC) | 10.50 | 32.82 | 31.66 | 34.03 | 58.55 |
| (ii) on Term Loan | 22.14 | 38.60 | 32.50 | 50.94 | 49.04 |
| (iii) on Car Loan | 0.72 | 0.77 | 0.74 | 1.81 | 2.44 |
| (iv) Other Interest | - | 1.04 | 8.48 | 10.06 | 0.92 |
| (v) on VAT/CST | 0.00 | 0.01 | 0.02 | 0.06 | 0.06 |
| (vi) on Service Tax | - | 0.02 | 0.00 | 0.47 | 0.00 |
| (vii) on TDS | 0.15 | 0.05 | 0.08 | 0.09 | 0.02 |
| (viii) on Excise | - | - | - | - | 0.01 |
| (ix) on GST | - | - | - | - | 0.06 |
| (b) Other borrowing costs | 7.92 | 1.73 | 1.95 | 0.07 | 15.90 |
| Total | 41.43 | 75.06 | 75.43 | 97.52 | 127.01 |

Annexure – 28
(₹ in Lakh)

Restated Statement of Depreciation and Amortization

| Particulars | For the Financial Year ended on March 31, | | | | |
|-----------------------|---|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Depreciation Expenses | 13.42 | 39.77 | 40.16 | 70.29 | 87.12 |
| Total | 13.42 | 39.77 | 40.16 | 70.29 | 87.12 |

Annexure – 29
(₹ in Lakh)

Restated Statement of Other Expenses

| Particulars | For the Financial Year ended on March 31, | | | | |
|-----------------------------------|---|-------|-------|--------|--------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Manufacturing Expenses | | | | | |
| Clearing & Forwarding Expenses | - | 3.44 | 0.16 | - | 0.15 |
| Freight & Transportation Expenses | 8.30 | 17.23 | 15.23 | 25.57 | 49.49 |
| Factory Expenses | 0.32 | 0.38 | 0.31 | 1.18 | 8.06 |
| Job work Charges | - | 4.47 | 49.28 | 24.02 | 51.28 |
| Labour charges | 0.25 | 0.09 | - | - | - |
| Loading & Unloading Expenses | - | - | 0.07 | - | 0.16 |
| Packing & Forwarding Expenses | 0.08 | 0.06 | 0.07 | 0.23 | 0.10 |
| Power & Fuel | 52.19 | 69.87 | 86.00 | 119.68 | 164.68 |

| Particulars | For the Financial Year ended on March 31, | | | | |
|--|---|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Stores and Spares Consumption | 22.13 | 35.94 | 11.90 | 17.95 | 10.56 |
| Testing & Certification Fees | - | 0.45 | 0.86 | 0.08 | 0.24 |
| Selling & Distribution Expenses | | | | | |
| Conveyance Expenses | 0.12 | 0.13 | 0.38 | 0.30 | 0.41 |
| Sales Commission | - | 4.80 | 36.70 | 0.80 | 3.78 |
| Sales Promotion Expenses | 1.84 | 0.22 | 1.72 | 5.13 | 9.00 |
| Establishment Expenses | | | | | |
| Auditor Fees | 0.28 | 0.28 | 0.28 | 1.22 | 1.19 |
| Bad Debts Written Off | - | - | 9.54 | - | - |
| Bank Charges | 0.15 | 1.53 | 3.82 | 4.40 | 6.47 |
| Cash Discount | 0.05 | 1.78 | - | - | - |
| Cash Discount Withdrawn | 2.89 | 6.04 | - | - | - |
| Computer Expenses | 0.08 | 0.06 | 0.14 | 0.49 | 0.21 |
| Courier & Postage Charges | 0.43 | 0.68 | 1.02 | 1.01 | 0.90 |
| Donation Expenses | 0.05 | - | 0.25 | 0.69 | 1.23 |
| Expenses on Increase in Share Capital | - | - | 2.50 | 0.20 | - |
| Foreign Bank Charges | - | 0.67 | 2.59 | 1.51 | 2.44 |
| Insurance Expenses | 0.74 | 0.96 | 1.02 | 2.71 | 3.14 |
| Legal & Professional Fees | 0.99 | 3.17 | 6.08 | 2.94 | 7.86 |
| Loss on Sale of Fixed Assets | - | 1.79 | - | 0.78 | - |
| Miscellaneous Expense | 1.53 | 1.63 | 2.21 | 2.08 | 3.74 |
| Preliminary Expenses Written off | 0.10 | 0.10 | 0.10 | 2.64 | 2.54 |
| Rate Difference | 1.55 | 1.40 | 0.16 | 1.58 | - |
| Rates & Taxes | 3.36 | 3.24 | 1.76 | 9.00 | 13.09 |
| Rent Expenses | 3.29 | 3.61 | 3.98 | 1.76 | - |
| Repairs & Maintenance | 1.72 | 2.85 | 3.53 | 2.78 | 4.67 |
| Telephone Expenses | 0.72 | 0.90 | 0.81 | 1.35 | 1.11 |
| Travelling Expenses | 1.67 | 2.03 | 2.60 | 5.21 | 8.20 |
| Water Charges | 0.20 | 0.45 | 0.63 | 1.66 | 0.71 |
| Total | 105.02 | 170.24 | 245.69 | 238.95 | 355.41 |

Annexure – 29.1
(₹ in Lakh)

Restated Statement of Payment to Auditors

| Particulars | For the Financial Year ended on March 31, | | | | |
|----------------------------------|---|-------------|-------------|-------------|-------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| a. Statutory Audit fees | 0.18 | 0.18 | 0.18 | 0.90 | 0.85 |
| b. Tax Audit Fees | 0.10 | 0.10 | 0.10 | 0.15 | 0.15 |
| c. for company law matters | - | - | - | - | - |
| d. for management services | - | - | - | - | - |
| e. for other services | - | - | - | 0.17 | 0.19 |
| f. for reimbursement of expenses | - | - | - | - | - |
| Total | 0.28 | 0.28 | 0.28 | 1.22 | 1.19 |

Restated Statement of Related Party Transactions

Annexure – 30

Names of related parties and description of relationship with the company:

Key managerial personnel and their relatives:

- | | |
|------------------|---------------------|
| a) Ankit Somani | e) Anil Somani |
| b) Preeti Somani | f) Sangita Somani |
| c) Akshay Somani | g) Nitin Somani HUF |
| d) Pooja Somani | |

Entities under common control/ Entities over which the Promoter has significant influence

- Shubham Tex-O-Pack Private Limited
- Shubham Texplast Private Limited
- Flexishine Polybends LLP
- Accura Hygiene LLP

Transactions with Related Parties

(₹ in Lakh)

| Particulars | For the Financial Year ended on March 31, | | | | |
|------------------------------------|---|-------|-------|-------|-------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| UNSECURED LOAN ACCEPTED | | | | | |
| Ankit Somani | 13.50 | 44.50 | 43.84 | 3.24 | 55.00 |
| Preeti Somani | 0.10 | - | 13.78 | 1.62 | - |
| Akshay Somani | 8.25 | 18.25 | 20.00 | - | 1.50 |
| Nitin Somani HUF | 2.50 | - | - | - | - |
| Sangita Somani | - | - | - | 20.40 | 2.25 |
| Anil Somani | - | - | - | - | 35.00 |
| Pooja Somani | - | - | - | - | 3.25 |
| Shubham Tex-O-Pack Private Limited | 61.82 | - | - | - | - |
| UNSECURED LOAN REPAYMENT | | | | | |
| Ankit Somani | 7.80 | 47.85 | 22.50 | 7.13 | 22.61 |
| Preeti Somani | - | 0.10 | 2.23 | 3.57 | 9.60 |

| Particulars | For the Financial Year ended on March 31, | | | | |
|--|---|--------|-------|-------|--------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Akshay Somani | 8.25 | 18.25 | 20.00 | - | 1.50 |
| Nitin Somani HUF | - | 2.50 | - | - | - |
| Sangita Somani | - | - | - | 20.40 | 2.25 |
| Anil Somani | - | - | - | - | - |
| Pooja Somani | - | - | - | - | 3.25 |
| Shubham Tex-O-Pack Private Limited | 61.82 | - | - | - | - |
| REMUNERATION | | | | | |
| Ankit Somani | 9.00 | 9.00 | 9.00 | 15.00 | 16.25 |
| Preeti Somani | 3.00 | 3.00 | 3.00 | 6.00 | 3.00 |
| SALARY | | | | | |
| Akshay Somani | 1.00 | 3.00 | 3.00 | 12.00 | 13.00 |
| Pooja Somani | - | - | - | 12.00 | 13.00 |
| SALES | | | | | |
| Shubham Tex-O-Pack Private Limited | 44.83 | 193.06 | 6.67 | 4.42 | 377.38 |
| Shubham Texplast Private Limited | - | - | - | 0.43 | 7.59 |
| Flexishine Polybends LLP | - | - | - | - | 37.04 |
| PURCHASES | | | | | |
| Shubham Tex-O-Pack Private Limited | 8.52 | - | - | - | 322.82 |
| Flexishine Polybends LLP | - | - | - | - | 22.75 |
| INTEREST PAID | | | | | |
| Ankit Somani | - | - | 2.27 | 3.60 | - |
| Preeti Somani | - | - | 1.42 | 1.80 | - |
| Shubham Tex-O-Pack Private Limited | - | - | - | - | 0.82 |
| CLOSING BALANCE (LOAN (RECEIVABLE)/PAYABLE) | | | | | |
| Ankit Somani | 5.70 | 2.35 | 23.68 | 19.79 | 52.18 |
| Preeti Somani | 0.10 | - | 11.55 | 9.60 | - |
| Akshay Somani | - | - | - | - | - |
| Nitin Somani HUF | 2.50 | - | - | - | - |
| Sangita Somani | - | - | - | - | - |
| Anil Somani | - | - | - | - | 35.00 |
| Pooja Somani | - | - | - | - | - |
| Shubham Tex-O-Pack Private Limited | - | - | - | - | - |

Restated Summary of Accounting Ratios

| Particulars | For the Financial Year ended on March 31, | | | | |
|---|---|---------|---------|---------|---------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Restated PAT as per P& L Account | 2.18 | 20.47 | 24.81 | 21.58 | 148.15 |
| Weighted Average Number of Equity Shares at the end of the Year | 1040137 | 2010000 | 2182131 | 3664795 | 4010000 |
| No. of equity shares at the end of the year | 2010000 | 2010000 | 3010000 | 4010000 | 4010000 |
| Net Worth | 202.39 | 222.62 | 347.23 | 468.55 | 616.45 |
| Earnings Per Share | | | | | |
| Basic & Diluted | 0.21 | 1.02 | 1.14 | 0.59 | 3.69 |
| Return on Net Worth (%) | 1.08% | 9.19% | 7.14% | 4.61% | 24.03% |
| Net Asset Value Per Share (₹) | 10.07 | 11.08 | 11.54 | 11.68 | 15.37 |
| Nominal Value per Equity share (₹) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

Notes:

Ratios have been calculated as below;

$$\text{Basic and Diluted Earnings Per Share (EPS) (₹)} = \frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year}}$$

$$\text{Return on Net Worth (%) = } \frac{\text{Restated Profit after Tax available to equity Shareholders} * 100}{\text{Restated Net Worth of the Company}}$$

$$\text{Net Asset Value per equity share (₹) = } \frac{\text{Restated Net Worth of the Company}}{\text{Restated Net Worth of Equity Shareholders}}$$

Restated Statement of Capitalization as at March 31, 2018

| Particulars | Pre Issue | Post Issue |
|--|---------------|-----------------|
| Borrowings | | |
| Short term debt (A) | 309.49 | 309.49 |
| Long Term Debt (B) | 476.48 | 476.48 |
| Total debts (C) | 785.96 | 785.96 |
| Shareholders' funds | | |
| Equity share capital | 401.00 | 551.00 |
| Reserve and surplus - as restated | 215.45 | 665.45 |
| Total shareholders' funds | 616.45 | 1,216.45 |
| Ratio of Long term debt against shareholders' funds | 0.77 | 0.39 |
| Ratio of Total debt against shareholders' funds | 1.27 | 0.65 |

Notes:

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as on March 31, 2018.
2. Long term Debts includes current maturities of long term debt.
3. For post issue Capitalization calculation has been done considering the allotment of shares in the IPO. Accordingly the figures of post issue of equity share capital and reserves & surplus has been adjusted. The figure of short term/long term debt as appearing on March 31, 2018 has only been considered for calculation purpose.

Restated Statement of Tax Shelters

| Particulars | For the Financial Year ended on March 31, | | | | |
|--|---|---------|---------|---------|---------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Profit before tax as per books (A) | 3.00 | 29.99 | 36.81 | 33.63 | 176.79 |
| Normal Corporate Tax Rate (%) | 30.90% | 30.90% | 30.90% | 30.90% | 25.75% |
| Normal Corporate Tax Rate (Other Source)(%) | 30.90% | 30.90% | 30.90% | 30.90% | 25.75% |
| MAT Rates | 19.055% | 19.055% | 19.055% | 19.055% | 19.055% |
| Tax at notional rate of profits | 0.93 | 9.27 | 11.37 | 10.39 | 45.52 |
| Adjustments : | | | | | |
| Permanent Differences(B) | | | | | |
| Expenses disallowed/Income disallowed under Income Tax Act, 1961 | | | | | |
| Interest on late payment of taxes | 0.15 | 0.05 | 0.08 | 0.09 | 0.02 |
| Loss on sale on assets | - | 1.79 | - | 0.78 | - |
| Donation | 0.05 | - | 0.25 | 0.69 | 1.23 |
| Expenses disallowed Personal In Nature | - | 0.32 | - | - | - |
| Professional Tax | - | 0.31 | - | 0.45 | 0.06 |
| TCS Penalty | 0.03 | - | - | - | 0.09 |

| Particulars | For the Financial Year ended on March 31, | | | | |
|---|---|----------------|----------------|-----------------|-----------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Total Permanent Differences(B) | 0.22 | 2.47 | 0.33 | 2.01 | 1.39 |
| Income considered separately (C) | | | | | |
| Income from Other Sources | - | - | 0.02 | - | - |
| Total Income considered separately (C) | - | - | 0.02 | - | - |
| Timing Differences (D) | | | | | |
| Difference between tax depreciation and book depreciation | (42.32) | (53.11) | 0.84 | (129.98) | (6.94) |
| Depreciation as per P & L A/c | 13.42 | 39.77 | 40.16 | 70.29 | 87.12 |
| Depreciation as per Income tax | 55.74 | 92.88 | 39.32 | 200.26 | 94.06 |
| Disallowance u/s 43B | | | | | |
| Difference due to any other items of addition u/s 28 to 44DA | - | - | 2.00 | 1.09 | - |
| Total Timing Differences (D) | (42.32) | (53.11) | 2.84 | (128.89) | (6.94) |
| Net Adjustments E = (B+D) | (42.09) | (50.65) | 3.17 | (126.88) | (5.55) |
| Tax expense / (saving) thereon | (13.01) | (15.65) | 0.98 | (39.21) | (1.43) |
| Short Term Capital Gain (F) | - | - | - | - | - |
| Interest of Fixed Deposit | - | - | - | - | - |
| Interest on Deposits | - | - | - | - | - |
| Interest on IT | - | - | 0.02 | - | - |
| Income from Other Sources (G) | - | - | 0.02 | - | - |
| Gross Income from Specified Business (35AD) | | | | | |
| Deduction claimed Under Sec 35 of Income Tax Act, 1961 | - | - | - | - | - |
| Deduction u/s VI-A | - | - | - | - | - |
| Exempt Income | - | - | - | - | - |
| Loss of P.Y. Brought Forward & Adjusted(H) | (13.93) | (53.01) | (73.67) | (33.69) | (126.94) |
| Taxable Income/(Loss) (A+E+F+G) | (53.01) | (73.67) | (33.69) | (126.94) | 44.31 |
| Taxable Income/(Loss) as per MAT | 3.00 | 29.99 | 36.81 | 33.63 | 176.79 |
| Disallowance as per MAT | - | - | - | - | - |
| Tax as per MAT | 0.57 | 5.71 | 7.01 | 6.41 | 33.69 |
| Basic Tax | 0.56 | 5.55 | 6.81 | 6.22 | 32.71 |
| Surcharge | - | - | - | - | - |
| Education cess | 0.01 | 0.11 | 0.14 | 0.12 | 0.65 |
| SHEC | 0.01 | 0.06 | 0.07 | 0.06 | 0.33 |
| Tax as per Normal Calculation | - | - | - | - | 13.69 |
| Basic Tax | - | - | - | - | 13.29 |
| Surcharge | - | - | - | - | - |

| Particulars | For the Financial Year ended on March 31, | | | | |
|---------------------------------|---|------|------|------|-------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Education cess | - | - | - | - | 0.27 |
| SHEC | - | - | - | - | 0.13 |
| MAT Credit Used | - | - | - | - | - |
| Income Tax as returned/computed | 0.57 | 5.71 | 7.01 | 6.41 | 33.69 |
| Interest Payable | - | - | - | - | - |
| Tax paid as per normal or MAT | MAT | MAT | MAT | MAT | MAT |

Annexure – 34

Restated Statement of Contingent Liabilities and Commitments

(₹ in Lakh)

| Particulars | As At March 31, | | | | |
|---|-----------------|------|------|------|------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| (a) Contingent Liabilities | | | | | |
| a. Claims against the company not acknowledged as debts | - | - | - | - | - |
| b. Guarantees | | | | | |
| c. Other Money for which the company is contingently liable | - | - | - | - | - |
| (b) Commitments | | | | | |
| Total | - | - | - | - | - |

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page no. 9 of this Draft Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

COMPANY'S BACKGROUND

Our Company was incorporated as "Shubham Polyspin Private Limited" at Ahmedabad on March 12, 2012, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to "Shubham Polyspin Limited" and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated July 24, 2018 was issued by the Registrar of Companies, (RoC) Ahmedabad.

One of our Promoter-Director Mr. Anil Somani started a company called Shubham Tex-O-Pack Private Limited which is engaged in HDPE/PP woven polybags. In the year 2010, Mr. Ankit Somani son of Mr. Anil Somani, joined the business of his father to gain the experience and understand the intricacy of said industry. After gaining an experience of 3 years in production, planning and sales, it was decided to diversify the products and enter into a more futuristic product having applications in various upcoming and existing industries. Mr. Ankit Somani promoter director of our company inspired from his father decided to start a new business which can be run on autonomous mode.

In the year 2012, Our Promoter Directors attended the Plast India event at Delhi and met Mr. Rajkumar Lohia (Chairman of Lohia Corp Limited), a company which is renowned worldwide (source: <http://www.lohiagroup.com/contact>) in making plastic packaging machineries. During the discussion with Mr. Lohia about the new and upcoming product in the industry and scope of the product in the next 5 years, he suggested our promoters to choose Multifilament yarn as a new product. Moreover, Lohia technical team also helped us to understand the product, machines and consumer industry of the Multifilament yarn. Multifilament yarn is the main component to be used in stitching of woven bags, manufacturing of geotextiles and filter fabrics as well as webbings. Multifilament Yarns enabled the bag manufacturer to switch to auto bag making machines which further reduces labour dependency and achieve defect free and time bound production.

After studying and understanding the technical viability of the Polypropylene (PP) multifilament yarn industry, our promoter director decided to commence the manufacturing unit of PP multifilament yarn. In the year 2013, our promoters zeroed on Spin Draw Wind Line Machinery from Lohia Corp having monthly capacity of 50 MT. Spin-Draw-Wind Lines for polypropylene multifilament yarn offer compact and flexible solutions for varied applications. The machine is capable of producing medium to high tenacity air intermingled yarns for sewing threads, webbings & slings, braids & ropes and a variety of technical textiles. Moreover, we had taken premises admeasuring approx 4800 Square feet area at Block no. 95/3, Shed No. C2 & C3, Trimul Industrial Estate, Vadsar Village, Gandhinagar, on rental basis. Further we had arranged project term loan sanctioned from Bank for purchasing and installing Spin Draw Wind Line Machine.

After the installation of our first machine, our products were well received in market and demand was increasing day by day due to modernization of Woven Bag Production process. To cater the increasing demand of our products we planned to add one more plant in the month of May, 2014 of similar capacity of 50 MT/ per month thus aggregating to 100 MT/ per month.

Initially the promoters had made a strategic decision of selling 100% of our products in the state of Gujarat. However later backed with increased production capacity and an experienced marketing team, we expanded our sales to nearby states like Rajasthan, Madhya Pradesh & Maharashtra and also ventured in Export Markets. In a period of few years, we penetrated deeply in these markets and expanded to a huge customer base.

With deep penetration in local markets and looking forward to increase our export markets our Promoter envisioned to set up an ultra modern production facility. For this production facility land was acquired at Village Borisana (Taluka-Kadi) in May 2015 admeasuring area of 5009 sq. mtrs. The land purchased was later developed by constructing a Factory Shed admeasuring approximated 2800.00 sq.mtrs. along with Staff Quarters and Administrative Building. The promoters further decided to add 2 more Spin Draw Line Machines from Lohia Corp Ltd, hence increasing the total capacity of the

company to 200 MT per month. Further old plants from rented premises were shifted to the new production site and all the 4 plants were fully operational by August 2016. We also manufacture on Job Work basis and get our products manufactured on Job Work basis.

With a monthly production capacity of 200 MT, the promoters also focused to penetrate in countries like Belgium, Uganda, Zimbabwe, Africa, Poland, Italy, Turkey, Katar, Srilanka, Bangladesh, Tanzania, Nigeria, Madagascar and Kenya.

The products of the company were well received in export markets and recently the company purchased 5th machine having installed capacity of 50 MT/per month. The said machine was fully operational from July, 2018 and currently the total combined capacity of the company is 250 MT/per month.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

After the date of last financial year i.e. March 31, 2018, the Directors of our Company confirm that, there have not been any significant material developments, except:

1. The Company has transfer its secured financial assistance from Dena Bank to Yes Bank Limited. For details of Financial Assistance availed by the Company from the Yes Bank Limited, please refer Section titled “Indebtedness” in the Chapter titled “Business Overview” on page no. 69 of this Draft Prospectus.
2. The entire financial assistances of Dena Bank Limited was closed w.e.f. May 7, 2018.

KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our Company’s future results of operations could be affected potentially by the following factors:

- Political Stability of the Country
- World Economy
- Government policies for the capital markets
- Investment Flow in the country from the other countries
- Competition from existing players
- Company’s ability to successfully implement our growth strategy

OUR SIGNIFICANT ACCOUNTING POLICIES”

For Significant accounting policies, please refer Significant Accounting Policies, “Annexure – 4” under Chapter titled “Auditors Report and Financial Information of Our Company” beginning on page no. 126 of this Draft Prospectus.

DISCUSSION ON RESULTS OF OPERATION:

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the years ended March 31, 2016, 2017, 2018.

Results of our Operation

(₹ In Lakh)

| Particulars | For the year ended on March 31, | | |
|--|---------------------------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 |
| Revenue from operations | 2,688.81 | 1,751.39 | 1,537.59 |
| Total Revenue | 2,688.81 | 1,751.39 | 1,537.59 |
| % of growth | 53.52 | 13.90 | -34.89 |
| Other Income | 138.19 | 19.8 | 2.86 |
| % of growth | 597.93 | 592.31 | -92.57 |
| Total income | 2,827.00 | 1,771.19 | 1,540.45 |
| % of growth | 59.61 | 14.98 | -35.82 |
| Expenses | | | |
| Cost of Material Consumed | 1982.61 | 1274.73 | 1106.39 |
| % Increase/(Decrease) | 55.53 | 15.22 | -48.33 |
| Changes in inventories in stock-in-trade | -6.15 | 2.12 | -6.8 |
| Employee benefits expense | 104.21 | 53.95 | 42.76 |
| % Increase/(Decrease) | 93.16 | 26.17 | -54.56 |

| | | | |
|---|----------|----------|----------|
| Finance Costs | 127.01 | 97.52 | 75.43 |
| % Increase/(Decrease) | 30.24 | 29.28 | -44.35 |
| Other expenses | 355.41 | 238.95 | 245.69 |
| % Increase/(Decrease) | 48.74 | -2.74 | 463.39 |
| Depreciation and amortization expenses | 87.12 | 70.29 | 40.16 |
| % Increase/(Decrease) | 23.94 | 75.02 | 17.98 |
| Total Expenses | 2,650.21 | 1,737.56 | 1,503.64 |
| % to total revenue | 93.75 | 98.10 | 97.61 |
| Earning Before Finance Cost, Depreciation and Tax | 390.92 | 201.44 | 152.41 |
| % to total revenue | 13.83 | 11.37 | 9.89 |
| Exceptional Items | 0.00 | 0.00 | 0.00 |
| Profit before Tax | 176.79 | 33.63 | 36.81 |
| Total tax expense | 28.64 | 12.05 | 12 |
| Profit and Loss for the period as Restated | 148.15 | 21.58 | 24.81 |
| % to total revenue | 5.24 | 1.22 | 1.61 |
| Profit and Loss for the period as Restated | 148.15 | 21.58 | 24.81 |
| % Increase/(Decrease) | 586.52 | -13.03 | 123.94 |

COMPARISON OF F.Y. 2017-18 WITH F.Y. 2016-17:

Total Income

The Total revenue from operations for the F.Y. 2017-18 was ₹ 2688.81 Lakh as compared to ₹ 1751.39 Lakh during the F.Y. 2016-17, showing increase of 53.52% in F.Y. 2017-18. The increase in revenue was attributable to the increase in the sales volume. The other income increased from ₹ 19.80 Lakh in F.Y. 2016-17 to ₹ 138.19 Lakh in F.Y. 2017-2018, mainly due to increase in Interest Subsidy Income and receipt of Government Grant. The Total income for the F.Y. 2017-18 was ₹ 2827.00 Lakh as compared to ₹ 1771.19 Lakh during the F.Y. 2016-17, increased by 59.61%.

Expenditure:

Our total expenses increased to ₹ 2650.21 Lakhs in F.Y. 2017-18 from ₹ 1737.56 Lakhs in F.Y. 2016-17, due to the factors described below:

Costs of Materials Consumed

The Cost of Materials Consumed during F.Y. 2017-18 was increased to ₹ 1982.61 Lakh from ₹ 1274.73 Lakh in F.Y. 2016-17. The increase in revenue from operation has led the increase in cost of materials consumed.

Employee Benefit Expenses

Employee Benefit expenses was increased from ₹ 53.95 Lakh for F.Y. 2016-17 to ₹ 104.21 Lakh for F.Y. 2017-18, showing increase of 93.16%. The increase was mainly attributable to increase in salary/wages and other benefits in the F.Y. 2017-18.

Finance Cost

Finance Cost was increased from ₹ 97.52 Lakh for F.Y. 2016-17 to ₹ 127.01 Lakh for the F.Y. 2017-18, showing an increase of 30.24% on account of increase in interest amount and other borrowing cost.

Depreciation and amortization

Depreciation and amortization Expense was increased from ₹ 70.29 Lakh in F.Y. 2016-17 to ₹ 87.12 Lakh for F.Y. 2017-18, showing increase by 23.94%. The increase was in line with normal business practice.

Other Expenses

Other Expenses was increased from ₹ 238.95 Lakh for F.Y. 2016-17 to ₹ 355.41 Lakh for F.Y. 2017-18 showing increase of 48.74% mainly due to increase in Freight & Transportation Expenses, Job work Charges and Power & Fuel expenses.

Earning Before Finance Cost, Depreciation and Tax

The Earning before Finance Cost, Depreciation and Tax for the F.Y. 2017-18 stood at 390.92 Lakh – i.e.13.83% of the total revenue of the F.Y. 2017-18 as against that of ₹ 201.44 Lakh i.e. 11.37% of the total revenue for the F.Y. 2016-17 for the F.Y. 2016-17.

Profit after Tax

The company has earned a profit after tax of ₹ 148.15 Lakh in the F.Y. 2017-18 as against profit after tax of ₹ 21.58 Lakh in the F.Y. 2016-17. The total incomes of the Company were increased by 59.61% over previous year and on the contrary, the total expenses were increased by 52.52% over the previous year resulted in to increase in the profit in F.Y. 2017-18.

COMPARISON OF F.Y. 2016-17 WITH F.Y. 2015-16

Total Income

The Total revenue from operations for the F.Y. 2016-17 was ₹ 1751.39 Lakh as compared to ₹ 1537.59 Lakh during the F.Y. 2015-16, showing increase of 13.90% in F.Y. 2016-17. The increase in revenue was attributable to the increase in the sales volume. The other income increased from ₹ 2.86 Lakh in F.Y. 2015-16 to ₹ 19.80 Lakh in F.Y. 2016-17, mainly due to increase in Interest Subsidy Income. The Total income for the F.Y. 2016-17 was ₹ 1771.19 Lakh as compared to ₹ 1540.45 Lakh during the F.Y. 2015-16, increased by 14.98%.

Expenditure:

Our total expenses increased to ₹ 1737.56 Lakhs in F.Y. 2016-17 from ₹ 1503.64 Lakhs in F.Y. 2015-16, due to the factors described below:

Costs of Materials Consumed

The Cost of Materials Consumed during F.Y. 2016-17 was increased to ₹ 1274.73 Lakh from ₹ 1106.39 Lakh in F.Y. 2015-16. The increase in revenue from operation has led the increase in cost of materials consumed.

Employee Benefit Expenses

Employee Benefit expenses was increased from ₹ 42.76 Lakh for F.Y. 2015-16 to ₹ 53.95 Lakh for F.Y. 2016-17, showing increase of 26.17%. The increase was mainly attributable to increase in salary/wages and other benefits in the F.Y. 2016-17.

Finance Cost

Finance Cost was increased from ₹ 75.43 Lakh for F.Y. 2015-16 to ₹ 97.52 Lakh for the F.Y. 2016-17, showing an increase of 29.28% on account of increase in interest amount and other borrowing cost.

Depreciation and amortization

Depreciation and amortization Expense was increased from ₹ 40.16 Lakh in F.Y. 2015-16 to ₹ 70.29 Lakh for F.Y. 2016-17, showing increase by 75.02%. The increase was in line with normal business practice.

Other Expenses

Other Expenses was decreased from ₹ 245.69 Lakh for F.Y. 2015-16 to ₹ 238.95 Lakh for F.Y. 2016-17 showing slight decrease of 2.74%.

Earning Before Finance Cost, Depreciation and Tax

The Earning before Finance Cost, Depreciation and Tax for the F.Y. 2016-17 stood at 201.44 Lakh – i.e.11.37% of the total revenue of the F.Y. 2016-17 as against that of ₹ 152.41 Lakh i.e. 9.89% of the total revenue for the F.Y. 2015-16 for the F.Y. 2015-16.

Profit after Tax

The company has earned a profit after tax of ₹ 21.58 Lakh in the F.Y. 2016-17 as against profit after tax of ₹ 24.81 Lakh in the F.Y. 2015-16. The profit amount was decreased in F.Y. 2016-17 as compared to F.Y. 2015-16 due to increase in expenses.

RELATED PARTY TRANSACTIONS

For further information please refer “Annexure – 30” on page no. 156 under Chapter titled “Auditors Report and Financial Information of our Company” beginning on page no. 126 of this Draft Prospectus.

FINANCIAL MARKET RISKS

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

INTEREST RATE RISK

We are currently exposed to interest rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

EFFECT OF INFLATION

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions.

Up to our knowledge, there have been no unusual or infrequent events or transactions that have taken place during the last three years.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been and expect it to continue to be subject to significant economic changes arising from the trends identified above in “Factors Affecting our Results of Operations” and the uncertainties described in the section entitled “Risk Factors” beginning on page no. 9 of this Draft Prospectus. Up to our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page no. 9 in this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.

Increases in revenues are by and large linked to increase in volume of business.

6. Total turnover of each major industry segment in which the issuer company operated.

The Company is into business of manufacturing of Polypropylene (PP) multifilament yarns, Polypropylene (PP) webbings and Narrow Woven Fabrics, Bag closing threads etc. Relevant Industry data, as available, has been included in the chapter titled “Industry Overview” beginning on page no. 65 of this Draft Prospectus.

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment.

8. The extent to which business is seasonal.

Our Company's Business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers.

As per Books of Accounts of our Company, our top ten customers contributes 56.61% and 57.95% of our total sales for the year ended March 31, 2018 and March 31, 2017 respectively out of which one of our Group Company - Shubham Tex-O-Pack Private Limited contributed 12.26% for the year ended March 31, 2018.

Moreover, as per Books of Account of the Company, our top ten suppliers delivered 90.31% and 92.86% of the total raw materials purchased for the year ended March 31, 2018 and March 31, 2017 respectively out of which one of our Group Company - Shubham Tex-O-Pack Private Limited contributed 13.31% for the year ended March 31, 2018.

10. Competitive conditions:

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitors who have been discussed in section titles "Business Overview" beginning on page no. 69 of this Draft Prospectus.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Note:

Pursuant to Board Resolution passed by the Board of Directors of our Company on August 11, 2018; for the purpose of this Issue and this Chapter;

“Material Dues” means outstanding dues to creditors in excess of ₹5.00 lakhs as per financial statement for the year ended on March 31, 2018.

“Pending Material Litigations” means all pending litigations, if the monetary amount of claim by or against the entity or person in such pending matter exceeds ₹10.00 lakhs;

Provided that in case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation be considered as “Pending Material Litigations” only in the event when the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Provided further that criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies shall be considered “Pending Material Litigations” irrespective of amount involved therein.

Except, as stated in this section and mentioned elsewhere in this Draft Prospectus, there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters, Subsidiaries or Group Companies.

Except as disclosed below, there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined above) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors as per financial statement for the year ended on March 31, 2018.

1. Outstanding litigations involving our Company

(a) Litigations by Company: NIL

(b) Litigation against Company:

Under Income Tax Act, 1961

Following Demands for Tax Deducted at Source are raised by Income Tax;

(Amount in ₹)

| Sr. No. | Financial Year | Quarter | Form | Type of Default | Default Amount | Payable Amount | Net Payable Amount |
|---------|----------------|---------|------|---------------------------|----------------|----------------|--------------------|
| 1 | 2018-19 | Q1 | 26Q | Short Payment | 9800 | 9800 | 10390 |
| | | | | Interest on Short Payment | 588 | 588 | |
| 2 | 2014-15 | Q1 | 24Q | Interest on Late Payment | 1080 | 0 | 18000 |
| | | | | Late Filing Levy | 18000 | 18000 | |
| | | | 26Q | Interest on Late Payment | 300 | 0 | 4940 |

| Sr. No. | Financial Year | Quarter | Form | Type of Default | Default Amount | Payable Amount | Net Payable Amount |
|------------------|----------------|--------------------------|------|--|----------------|----------------|--------------------------|
| | | | 27EQ | Late Filing Levy | 4944 | 4944 | |
| | | | | Short Payment | 2 | 2 | |
| | | | | Interest on Late Payment | 35 | 0 | |
| | | | | Additional Late Payment Interest against the processing of latest correction | 40 | 0 | |
| | | | | Late Filing Levy | 970 | 970 | |
| | | | | Additional Late Late Filing Levy against the processing of latest correction | 390 | 390 | |
| | | | | Interest under Section 220(2) | 99 | 99 | |
| | | Q2 | 24Q | Interest on late Payment | 360 | 0 | 1000 |
| | | | | Late Filing Levy | 1000 | 1000 | |
| | | | 26Q | Interest on Late Payment | 312 | 8 | 1700 |
| | | | | Late Filing Levy | 1691 | 1691 | |
| | | | 27EQ | Late Filing Levy | 1000 | 1000 | 1000 |
| | | | 3 | 2013-14 | Q1 | 24Q | Interest on Late Payment |
| Late Filing Levy | 15450 | 15450 | | | | | |
| Q3 | 24Q | Interest on Late Payment | | | 7290 | 0 | 49600 |
| | | Late Filing Levy | | | 49600 | 49600 | |
| Q4 | 24Q | Interest on Late Payment | | | 2088 | 0 | 23210 |
| | | Late Filing Levy | | | 23205 | 23205 | |
| 4 | 2012-13 | Q1 | 26Q | Interest on Late Payment | 1323 | 1323 | 1320 |

2. Outstanding litigations involving Our Promoters.

(a) Litigations by Promoters: NIL

(b) Litigation against Promoters: NIL

3. Outstanding litigations involving Our Directors.

(a) Litigations by Directors: NIL

(b) Litigation against Directors: NIL

4. Outstanding litigations involving Our Group Companies.

(a) Litigation by Group Companies: NIL

(b) Litigation against Group Companies: NIL

A. Under the Income Tax Act, 1961 - against Shubham Texplast Private Limited:

| Sr. No. | Financial Year | Quarter | Form | Type of Default | Default Amount | Payable Amount | Net Payable Amount |
|---------|----------------|---------|------|--------------------------|----------------|----------------|--------------------|
| 1 | 2016-17 | Q3 | 24Q | Interest on Late Payment | 1768.50 | 0 | 800 |
| | | | | Late Filing Levy | 800 | 800 | |
| | | | 26Q | Interest on Late Payment | 8928 | 0 | 800 |
| | | | | Late Filing Levy | 800 | 800 | |

B. Under the Income Tax Act, 1961 - against Shubham Tex-O-Pack Private Limited:

| Assessment Year | Section Code | Demand Identification Number* | Date on which Demand is raised | Outstanding Amount (₹) |
|-----------------|--------------|-------------------------------|--------------------------------|------------------------|
|-----------------|--------------|-------------------------------|--------------------------------|------------------------|

| | | | | |
|---------|-----------|----------------------|--------------------|----------|
| 2006-07 | 143(1) | 2009200651038455932C | March 28, 2008 | 70,833 |
| 2009-10 | 1431a | 2010200937014703311C | December 30, 2010 | 2,12,410 |
| 2012-13 | 143(3) | 2014201210011854010C | March 9, 2015 | 69,680 |
| 2012-13 | 271(1)(c) | 2015201210004132791C | September 10, 2015 | 1,00,800 |

* Shubham Tex-O-Pack Private Limited is in process of making application to Income Tax Department for removing the Demands urging that the Demand is due to "Wrong Uploading of Data Entry".

Following Demands for Tax Deducted at Source are raised by Income Tax;

(Amount in ₹)

| Sr. No. | Financial Year | Quarter | Form | Type of Default | Default Amount | Payable Amount | Net Payable Amount |
|-----------------------------|----------------|-----------------------------|------|--|----------------|----------------|--------------------|
| 1 | 2017-18 | Q2 | 27EQ | Late Filing Levy | 200 | 200 | 200 |
| 2 | 2012-13 | Q1 | 26Q | Interest on Late Filing | 4335 | 0 | 450 |
| | | | | Interest under Section 220(2) | 1302 | 451 | |
| | | | 27EQ | Interest on Late Payment | 218 | 180 | 180 |
| 3 | 2011-12 | Q1 | 24Q | Short Payment | 2100 | 2100 | 3170 |
| | | | | Interest on Short Payment | 1040 | 1040 | |
| | | | | Interest on Late Payment | 32 | 30 | |
| | | | 26Q | Interest on Late Payment | 1445 | 1440 | 1790 |
| | | Q2 | 26Q | Short Payment | 244390 | 244390 | 356420 |
| | | | | Interest on Short Payment | 109980 | 109980 | |
| | | | | Interest on Late Payment | 1718 | 1720 | |
| | | Q3 | 24Q | Short Payment | 2100 | 2100 | 3070 |
| | | | | Interest on Short Payment | 910 | 910 | |
| | | | | Interest on Late Payment | 64 | 60 | |
| | | | 26Q | Short Deduction | 4470 | 4470 | 7040 |
| | | Interest on Late Payment | 5577 | 1830 | | | |
| | | Interest on Short Deduction | 450 | 450 | | | |
| | | Q4 | 26Q | Short Deduction | 6660 | 6660 | 20340 |
| | | | | Additional Late Payment interest against the processing of latest correction | 11709 | 10052 | |
| Interest on Short Deduction | 3630 | | | 3630 | | | |
| 4 | 2010-11 | Q1 | 26Q | Short Deduction | 21700 | 21700 | 25720 |
| | | | | Interest on Late Payment | 473 | 470 | |
| | | | | Interest on Short Deduction | 3450 | 3450 | |
| | | Q2 | 26Q | Short Deduction | 20820 | 20820 | 26430 |
| | | | | Interest on Late Payment | 785 | 790 | |
| | | | | Interest on Short Deduction | 4560 | 4560 | |
| | | Q3 | 26Q | Short Payment | 390 | 390 | 2380 |
| | | | | Interest on Short Payment | 90 | 90 | |
| | | | | Interest on Late Payment | 1553 | 1550 | |
| | | Q4 | 24Q | Short Deduction | 16580 | 16580 | 18080 |
| | | | | Interest on Late Payment | 64 | 290 | |
| | | | | Interest on Short Deduction | 1160 | 1160 | |
| | | | 26Q | Short Payment | 1230 | 1230 | 11540 |
| | | | | Short Deduction | 980 | 980 | |
| | | | | Interest on Short Payment | 280 | 280 | |
| Interest on Late Payment | 11181 | 7240 | | | | | |
| Interest on Short Deduction | 150 | 150 | | | | | |
| 5 | 2009-10 | Q3 | 27EQ | Interest on Late Payment | 10 | 10 | 10 |
| | | Q4 | 26Q | Interest on Late Payment | 8092 | 8090 | 10340 |
| 6 | 2008-09 | Q1 | 26Q | Short Payment | 1050 | 1050 | 0 |
| | | | | Interest on Short Payment | 480 | 480 | |
| | | | | Interest on Late Payment | 810 | 540 | |

| Sr. No. | Financial Year | Quarter | Form | Type of Default | Default Amount | Payable Amount | Net Payable Amount |
|---------|----------------|---------|------|--|----------------|----------------|--------------------|
| | | Q2 | 26Q | Additional Late Payment interest against the processing of latest correction | 1077 | 1077 | 1080 |
| 7 | 2007-08 | Q2 | 26Q | Short Payment | 39850 | 39850 | 0 |
| | | | | Interest on Short Payment | 20730 | 20730 | |
| | | | | Interest on Late Payment | 118 | 120 | |
| | | Q3 | 26Q | Short Payment | 37.7 | 37.7 | 460 |
| | | | | Interest on Late Payment | 504 | 420 | |
| | | Q4 | 26Q | Short Deduction | 111165 | 111165 | 228450 |
| | | | | Additional Late Payment interest against the processing of latest correction | 453 | 453 | |
| | | | | Interest on Short Deduction | 116828 | 116828 | |

As per Shubham Tex-O-Pack Private Limited (“STPPL”) working on TDS, the above demands are reflecting in income tax website are due to technical error. STPPL will initiate the requisite process to rectify the same with Income Tax department.

5. Penalties imposed in past cases for the last five years: NIL

6. Material Developments Since the Last Balance Sheet:

Except as mentioned under the chapter “Management Discussion and Analysis of Financial Condition and Result of Operation” on page no. 162 of this Draft Prospectus, there have been no material developments, since the date of the last audited balance sheet.

7. Material Dues to the Creditors:

As of March 31, 2018, our Company had 56 creditors, to whom a total amount of ₹ 145.97 lakhs was outstanding. Based on the resolution passed by the Board of Directors of our Company on August 11, 2018 determining the quantum of “Material Dues”, the following are the material dues to the creditors of our Company.

(₹ in Lakh)

| Name of Creditors | As at March 31, 2018 |
|--------------------------------------|----------------------|
| Rajiv Petrochemicals Private Limited | 67.62 |
| Tulsi Dye Chem Private Limited | 23.53 |
| Khanna & Khanna Limited | 12.09 |
| Rishma Agencies | 8.39 |
| Momay Paper tubes | 5.73 |

Further, except Shubham Tex-O-Pack Private Limited to whom Nil amount was outstanding as at March 31, 2018, none of our Creditors have confirmed their registration under the Micro, Small and Medium Development Act, 2006.

The details pertaining to net outstanding dues towards our Material Creditors and Small Scale Undertakings shall be made available under investors’ section on the website of our Company i.e. sppl.shubhamgrp.co. It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company’s website, sppl.shubhamgrp.co would be doing so at their own risk.

Further, there are no pending cases with such Material Creditors.

OTHER MATTERS

Details of any inquiry, inspection or investigation initiated under present or previous companies laws in last five years against the company or its subsidiaries: Nil

Outstanding litigation against other companies or any other person whose outcome could have an adverse effect on our company: Nil

GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority except otherwise stated in this section.

1) Approvals for the Proposed Issue:

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on July 25, 2018, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
2. The shareholders of the Company have, pursuant to a special resolution passed in AGM held on August 4, 2018, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
3. The Company has obtained in-principle listing approval dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited.
4. The Company has entered into an agreement dated [●] with the Central Depository Services (India) Limited (“CDSL”) and Link Intime India Private Limited, the Registrar and Transfer Agent for the dematerialization of its shares.
5. Similarly, the Company has also entered into an agreement dated [●] with the National Securities Depository Limited (“NSDL”) and Link Intime India Private Limited, the Registrar and Transfer Agent for the dematerialization of its shares.
6. The Company's International Securities Identification Number (“ISIN”) is [●].

Following tables sets out the details of licenses, permissions and approvals obtained, applied and yet to receive and yet to apply by the Company under various Central and State Laws for carrying out its business.

2) Registration obtained under the Companies Act, 1956 and 2013:

| Sr. No. | Authority Granting Approval | Approval/ Registration No. | Applicable Laws | Nature of Approvals | Validity |
|---------|---|--|---------------------|--|-----------|
| 1. | Registrar of Companies, Gujarat, Dadra and Nagar Haveli | Corporate Identity Number U17120GJ2012PTC069319 dated March 12, 2012 | Companies Act, 1956 | Certificate of Incorporation in name of Shubham Polyspin Private Limited | Permanent |
| 2. | Registrar of Companies, RoC – Ahmedabad | Corporate Identity Number U17120GJ2012PLC069319 dated July 24, 2018 | Companies Act, 2013 | Fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company | Permanent |

3) Registration under various Acts/Rules relating to Income Tax, Sales Tax, Value Added Tax, Central Excise and Service Tax:

| Sr. No. | Authority Granting Approval | Approval/ Registration No. | Applicable Laws | Nature of Approvals* | Validity |
|---------|--|--|-----------------------------------|------------------------------|-----------------------|
| 1. | Income Tax Department | AARCS1922M | Income Tax Act, 1961 | Permanent Account Number | Permanent |
| 2. | Income Tax Department | AHMS22928D | Income Tax Act, 1961 | Tax Deduction Account Number | Permanent |
| 3. | Commercial Taxes Department, Government of Gujarat | 24060104443 effective from September 10, 2012^ | Gujarat Value Added Tax Act, 2003 | VAT Registration Number | Valid, till cancelled |

| | | | | | |
|----|---|---|--|--|-----------------------|
| 4. | Commercial Taxes Department, Government of Gujarat | 24560104443 effective from September 10, 2012 [^] | The Central Sales Tax (Registration and Turnover) Rules, 1957 | Central Sales Tax Number | Valid, till cancelled |
| 5. | Superintendent, Range Iv(Wu0504) Division: Kadi New, Commisionerate: Gandhinagar New, Central Board of Excise and Customs | AARCS1922MSD001 issued on October 8, 2012 | Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994 | Service Tax Registration | Valid, till cancelled |
| 6. | Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, Central Board of Excise and Customs | AARCS1922MEM002 issued on September 21, 2015 | The Central Excise Act, 1944 and the Central Excise Rules, 2002 | Central Excise Registration Certificate for Operating as a Manufacturer of Excisable Goods at Saket Industrial Estate, Block No. 748, Nr. Kaneriya Oil Mill, Jetpura-Basantpura Road, Borisana, Kadi, Mehsana, Gujarat | Valid, till cancelled |
| 7. | Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, Central Board of Excise and Customs | AARCS1922MEM001 issued on September 25, 2012 | The Central Excise Act, 1944 and the Central Excise Rules, 2002 | Central Excise Registration Certificate for Operating as a Manufacturer of Excisable Goods at Trimul Industrial Estate, Block No. 95/3, Shed No. C-2 & C-3, Vadsar-Khatraj Road, Khatraj, Kalol, Gandhinagar, Gujarat | Valid, till cancelled |
| 8. | The Central Goods And Services Tax Act, 2017 | GSTIN: 24AARCS1922M1ZZ issued on September 19, 2017 | The Central Goods And Services Tax Act, 2017 | Certification of Registration under the Central Goods And Services Tax Act, 2017 for the state of Gujarat | Valid, till Cancelled |
| 9. | Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade | Importer – Exporter Code: 0812015231 issued on October 22, 2012 | Foreign Trade (Development & Regulation) Act, 1992 | Import Export Code | Valid, till cancelled |

* In the name of “Shubham Polyspin Private Limited”.

[^] It is replaced by Goods and Services Tax.



4) Licenses/ Approvals under Industrial and Labour Laws:

| Sr. No. | Authority Granting Approval | Approval/ Registration No. | Applicable Laws | Nature of Approvals* | Validity |
|---------|-----------------------------|---|--|--|-----------------------|
| 1. | Regional office, Ahmedabad | Registration No. 1768020309AHD dated March 10, 2017 | Employee’s Provident Funds and Miscellaneous | Registration with Regional Provident Fund Office for Depositing the Contribution and | Valid, till Cancelled |

| Sr. No. | Authority Granting Approval | Approval/ Registration No. | Applicable Laws | Nature of Approvals* | Validity |
|---------|---|--|---|---|-------------------------------|
| | | Code No. GJAHD1563680000 dated March 10, 2017 | Provisions Act, 1952 | Subscription of the employees. | |
| 2. | Deputy Director, Industrial Safety and Health, Mahesana | License No. 31058 Registration No. 1164/13129/2017 | Factories Act, 1948 and Rules made thereunder | License to work Factory at Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Jetpura- Borisana Road, Village Borisana Taluka Kadi Mahesana – 382 728 | Valid up to December 31, 2021 |
| 3. | J. M. Gajjar, Officer, Directorate of Legal Metrology, State of Gujarat | No. 603136 issued on March 14, 2018 | The Legal Metrology Act, 2009 | Certificate of Verification of 1) Non-automatic weighing Instrument Electronic Class – III – 200 Kg; 2) Non-automatic weighing Instrument Electronic Class – III – 20 Kg; 3) Non-automatic weighing Instrument Electronic Class – II – Not Exceed 10 Kg | Valid up to March 12, 2019 |
| 4. | Taluka Development Officer, Taluka: Kadi | Registration Certificate No. 04020170020 issued on July 19, 2017 | Gujarat State Tax on Profession, Trade, Callings and Employment Act, 1976 | Certificate of Registration | Valid, till Cancelled |

* In the name of “Shubham Polyspin Private Limited”.

5) Intellectual Properties – Application made but approval is awaiting:

| Sr. No. | Authority Granting Approval | Application No. | Applicable Laws/Rules | Nature of Approvals* | Status |
|---------|--|------------------------------|-----------------------|---|---|
| 1. | Trade Mark Registry, Government of India | 3787040 dated March 23, 2018 | Trade Marks Act, 1999 | Use of following Mark as Registered Trademark under Class 23 - Yarns and threads included in Class 23  | Accepted & Advertised in Journal No: 1848 dated May 7, 2018 |
| 2. | Trade Mark Registry, Government of India | 3787039 dated March 23, 2018 | Trade Marks Act, 1999 | Use of following Mark as Registered Trademark under Class 23 - Yarns and threads included in Class 23  | Objected |

* In the name of “Shubham Polyspin Private Limited”.

6) Other Certificates, license, approval etc.:

| Sr. No. | Authority Granting Approval | Registration No. | Applicable Laws/Rules | Nature of Approvals | Validity |
|---------|---|---|--|--|--|
| 1. | Ministry of Micro, Small and Medium Enterprises | Udyog Aadhaar Number: GJ14C0001027 | --- | Udyog Aadhaar Memorandum* | Valid, till Cancelled |
| 2. | Directorate General of Foreign Trade, Government of India | 0830007655/03/12/00 (Custom Notification 016/2015 dated April 1, 2015) | The Foreign Trade (Development And Regulation) Act, 1992 | Import of Duty free Capital Goods under Export Promotion Capital Goods Scheme* | Valid till 6 years from October 15, 2015 |
| 3. | The Plastic Exports Promotion Council | Registration No. PLEPC/S/1001/2018-2019 | --- | Registration cum Membership Certificate | Valid up to March 31, 2023 Subscription paid up to March 31, 2019 |

* In the name of "Shubham Polyspin Private Limited".

Our Company has taken Domain Registration of our Website i.e. spl.shubhamgrp.co.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Board of Directors has, pursuant to a resolution passed at its meeting held on July 25, 2018, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.

The shareholders of the Company have, pursuant to a special resolution passed in AGM held on August 4, 2018, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

We have received in principle approval from BSE Limited vide their letter dated [●] to use the name of BSE Limited in the Draft Prospectus for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange for the purpose of this issue.

PROHIBITION BY SEBI

Our Company, our Promoters, our Directors and our Promoter Group, have not been prohibited 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 Promoters, our Directors or persons in control of our Company are/ were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.

There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

ELIGIBILITY FOR THE ISSUE

We are an issuer whose post issue paid-up capital is not more than ₹ 10 Crore and therefore, our company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

We confirm that:

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For details pertaining to underwriting by Lead Manager, please refer to chapter titled "General Information" beginning on page no. 33 of this Draft Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have neither filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. We shall also ensure that our Lead Manager submits the copy of Draft Prospectus along with a Due Diligence Certificate including additional confirmations to Stock Exchange and Prospectus along with a Due Diligence Certificate including additional confirmations with the Stock Exchange, Securities Exchange Board of India and the Registrar of Companies.

4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For details of the market making arrangement, see chapter titled “General Information” beginning on page no. 33 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of Chapter XB of SEBI (ICDR) Regulations, 2009, the provisions of sub regulations (1), (2) and (3) of regulation 6, regulation 8, regulation 9, regulation 10, regulation 25, regulation 26, regulation 27 and sub regulation (1) of regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us for this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for listing on SME Platform of BSE, which states as follows:

1. The Issuer should be a company incorporated under the Companies Act 1956.

Our Company is incorporated under the Companies Act, 1956.

2. The post issue paid up capital of the company (face value) shall not be more than ₹ 2500.00 Lakh.

The present paid-up capital of our Company is ₹ 401.00 Lakh and we are proposing issue of 1500000 Equity Shares of ₹ 10/- each at issue price of ₹ 40/- per Equity Share including share premium of ₹ 30/- per Equity Share aggregating to ₹ 600.00 Lakh. Hence, our Post Issue Capital will be ₹ 551.00 Lakh which less than ₹ 2500.00 Lakh.

3. Positive Net worth.

Our Company satisfies the criteria of Positive Net worth.

| (₹ in lakh) | | | |
|---|----------------------|----------------------|----------------------|
| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
| Net Worth as per Restated Financial Statement | 616.45 | 468.55 | 347.23 |

4. Track Record.

- A. The company should have a (combined) track record of at least 3 years.

Our Company satisfies the criteria of track record.

| (₹ in lakh) | | | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Profit(Loss) as per Restated Financial Statement | 148.15 | 21.58 | 24.81 |

- B. The company should have combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth should be positive.

Our Company satisfies the criteria of track record.

| (₹ in lakh) | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Cash Accruals as per Restated Financial Statement | 263.91 | 103.92 | 76.97 |
| Net Worth as per Restated Financial Statement | 616.45 | 468.55 | 347.23 |

5. Other Requirements

- A. It is mandatory for a company to have a website.

Our Company has functional website – sppl.shubhamgrp.co.

- B. It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.

To facilitate trading in demat securities, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. a tripartite agreement dated [●] with NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated [●] with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: [●]

- C. There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.

There is no such change in the Promoters of our Company.

6. Disclosures

We confirm that certificate confirming the below details is submitted to the Stock Exchange;

- i. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- ii. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, BEELINE BROKING LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER BEELINE BROKING LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 27, 2018 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENTS DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

- (A) THE DRAFT PROSPECTUS FILED WITH THE BOARD/ EXCHANGE IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013 AND APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE VIS-À-VIS AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE
 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE
 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE; SECTION 29 OF THE COMPANIES ACT, 2013, INTER ALIA, PROVIDES

THAT EVERY COMPANY MAKING PUBLIC OFFERS SHALL ISSUE SECURITIES ONLY IN DEMATERIALIZED FORM BY COMPLYING WITH THE PROVISIONS OF THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER..

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.”
16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR. – AS PER ANNEXURE “A”
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – *COMPLIED WITH TO EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARDS 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.*

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE

4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. – NOTED FOR COMPLIANCE
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS. – NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, HAVE BEEN MADE.

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, 35 36 AND 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.

CAUTION- DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

The Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone depending on any other source of information, including our website: sopl.shubhamgrp.co will be doing so at his or her own risk.

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager, Beeline Broking Limited and our Company dated August 9, 2018 and the Underwriting Agreement dated August 9, 2018 between Beeline Broking Limited and our Company and the Market Making Agreement dated August 9, 2018 entered into among the Beeline Broking Limited and our Company.

All information shall be made available by us and LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

NOTE:

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company and will not offer, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our Company, the Underwriters and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Beeline Broking Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure “A” to this Draft Prospectus and the website of Lead Manager at www.beelinebroking.com.

Track Record of the public issues managed by Lead manager as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI; please see the website of Lead manager i.e. www.beelinebroking.com.

DISCLAIMER IN RESPECT OF JURISDICTION

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and 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), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub –account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mahesana only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company’s Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company’s affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE BSE

As required, a copy of this Draft Prospectus is being submitted to BSE. Post scrutiny of this Draft Prospectus, the Disclaimer Clause as intimated by BSE to us shall be included in the Draft Prospectus prior to the RoC filing.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

FILING OF PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

A copy of Draft Prospectus neither be filed with SEBI nor SEBI will issue any observation on the offer document in term of Regulation 106(O)(1). However, a copy of the Prospectus shall be filed with SEBI at Western Regional Office, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad – 380 009.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013, will be delivered to the RoC Office situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013.

LISTING

Our company has obtained In-Principle approval from BSE vide letter dated [●] to use name of BSE in this offer document for listing of equity shares on SME Platform of BSE.

Application is being made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within Eight days after our Company becomes liable to repay it then our Company and every officer in default shall, on and from such expiry of Eight days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six Working Days from the Issue Closing Date.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a). **makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**
- (b). **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c). **otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”**

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 ten 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

The written consents of Promoters, Directors, [●], Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Bankers’ to the Company, [●], Legal Advisor to the Issue, the Lead Manager to the Issue, Underwriter, Registrar to the Issue and Market Makers to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC. – NOTED FOR COMPLIANCE

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 1) M/s. Jain P.C. & Associates, Chartered Accountants have provided their written consent for 1) the inclusion of their report dated August 8, 2018 regarding restated financial statements; 2) the inclusion of Statement of Tax Benefits dated August 8, 2018 as applicable and 3) the inclusion of extract of Certificate on Source of Minimum Capital Contribution by Promoters dated August 8, 2018, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Draft Prospectus. – NOTED FOR COMPLIANCE

EXPERT OPINION

Except for (a) Peer Review Auditors' reports on the restated financial statements (b) Statement of Tax Benefits and (c) Certificate on Source of Minimum Capital Contribution by Promoters by M/s. Jain P.C. & Associates, Chartered Accountants,; we have not obtained any other expert opinions.

PUBLIC ISSUE EXPENSES

The Management estimates an expense of ₹ 80.24 Lakhs towards issue expense. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

| (₹ in lakh) | | | |
|-------------|---|--------------|--------------------------------------|
| Sr. No. | Particulars | Amount (₹) | Expenses (% of total Issue expenses) |
| 1. | Payment to Merchant Banker | 28.32 | 35.29 |
| 2. | Regulatory Fees, printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc | 11.80 | 14.71 |
| 3. | Market Making, Marketing and Other Expenses | 40.12 | 50.00 |
| | Total | 80.24 | 100.00 |

Note:

Up to August 17, 2018, Our Company has deployed/incurred expense of ₹ 5.39 Lakhs towards Issue Expenses out of internal accruals duly certified by Statutory Auditor M/s. Jain P. C. & Associates, Chartered Accountants vide its certificate dated August 18, 2018.

Any expenses incurred towards aforesaid issue related expenses during the period from August 18, 2018 onwards to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.

FEES PAYABLE TO LEAD MANAGER TO THE ISSUE

The total fees payable to the Lead Manager (underwriting Commission and Selling Commission and reimbursement of their out of pocket expenses) will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue dated August 9, 2018.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

FEES PAYABLE TO OTHERS

The total fees payable to the Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

COMMISSION PAYABLE TO SCBS

The brokerage and selling commission payable to SCBSs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them.

SCSBs will be entitled to a processing fee of ₹ 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.

Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.05% on the Amount Allotted (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 receipt of final invoices of the respective intermediaries.

PREVIOUS PUBLIC OR RIGHTS ISSUE

There have been no public or rights issue by our Company during the last five years.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “Capital Structure” beginning on page no. 38 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

CAPITAL ISSUE DURING THE LAST THREE YEARS

Our Company and its Group Company have not made any capital issue during the last three years.

LISTED VENTURES OF PROMOTER

There are no listed ventures of our Company as on date of filing of this Draft Prospectus.

PROMISE VIS-A-VIS PERFORMANCE

Since, neither our Company nor our Promoter Group Companies/Entities have made any previous rights or public issues during last 10 years, Promise vis-a-vis Performance is not applicable.

OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Prospectus.

STOCK MARKET DATA FOR OUR 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

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders), for redressal of routine investor grievances shall be 10 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 Stakeholders Relationship Committee comprising of Mr. Urva Pragnesh Patel – Chairperson, Mr. Kush Prafulbhai Kalaria – Member and Mr. Anil Devkishan Somani – Member.

Our Company is in process of appointing the Company Secretary and Compliance Officer who may be contacted in case of any pre-issue or post-issue related problems at the following address:

Shubham Polyspin Limited,
Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill,
Jetpura- Basantpura Road, Village Borisana, Taluka Kadi,
Mahesana – 382 728, Gujarat, India
Tel No.: +91 70431 24999, +91 70431 25999;
Email: compliance@shubhamgrp.co
Web: spppl.shubhamgrp.co

CHANGES IN AUDITORS

There has been no change in the Auditors of the company during the last three years.

CAPITALIZATION OF RESERVES OR PROFITS DURING LAST 5 (FIVE) YEARS

Our Company has not capitalized any reserves or profits during last five years.

REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets during last five years.

SECTION VIII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015; all the applicants have to compulsorily apply through the ASBA Process.

Further vide the said circular, Registrar to the Issue and Depository Participants have also been authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled "Provisions of the Articles of Association" beginning on page no. 216 of this Draft Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any, declared) will be approved by the Board of Directors.

FACE VALUE AND ISSUE PRICE

The face value of the Equity Shares is ₹ 10/- each and the Issue Price is ₹ 40/- per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis for Issue Price" beginning on page no. 61 of this Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2009. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and

- such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “Provisions of Articles of Association” beginning on page no. 216 of this Draft Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 3000 Equity Shares and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 3000 Equity Share subject to a minimum allotment of 6000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within 6 Working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicants, may nominate up to three persons, vide Multiple Nominations facility made available by CDSL and NSDL, to whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest in respect of Percentage assigned to each nominee at the time of nomination. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination interest shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC ISSUE

| | | | | | |
|----------------|--|---|-----------------|--|---|
| ISSUE OPENS ON | | ● | ISSUE CLOSES ON | | ● |
|----------------|--|---|-----------------|--|---|

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

| Event | Indicative Date |
|--|-----------------|
| Offer Closing Date | ● |
| Finalization of Basis of Allotment with BSE | ● |
| Initiation of refunds /unblocking of funds from ASBA Account | ● |
| Credit of Equity Shares to demat accounts of Allottees | ● |
| Commencement of trading of the Equity Shares on BSE | ● |

The above timetable is indicative and does not constitute any obligation on our Company. 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 BSE is taken within six Working Days from the Offer Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, not later than 5.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public issue, some Applications may not get uploaded due to lack of sufficient time. Such Applications that are not uploaded will not be considered for allocation under the Issue. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 39(3) and 40 of the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

NO RESERVATION FOR EIGIBLE NRIS, FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND QFIS

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page no. 38 of this Draft Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Provisions of the Articles of Association" beginning on page no. 216 of this Draft Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

MIGRATION TO MAIN BOARD

Our Company may migrate to the main board of BSE on a later date, subject to the following:

If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board; or

If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares offered through this issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker; please see “General Information – Details of the Market Making Arrangements for this Issue” on page no. 36 of this Draft Prospectus.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the equity shares will happen in the minimum contract size of 3000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital is not more than ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue, please refer chapter titled “Terms of Issue” and “Issue Procedure” on page no. 187 and 194 respectively of this Draft Prospectus.

Public issue of 1500000 equity shares of face value of ₹ 10/- each for cash at a price of ₹ 40/- per equity share including a share premium of ₹ 30/- per equity share (the “issue price”) aggregating to ₹ 600.00 Lakh (“the issue”) by our company.

| Particulars | Net Issue to Public | Market Maker reservation portion |
|--|--|--|
| Number of Equity Shares* | 1422000 Equity Shares | 78000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.80% of the Issue Size 25.81% of the Post Issue Paid up Capital | 5.20% of the Issue Size 1.42% of the Post Issue Paid up Capital |
| Basis of Allotment/ Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of 3000 Equity Shares and Further allotment in multiples of 3000 Equity Shares each. For further details please refer to the section titled “Issue Procedure – Basis of Allotment” on page no. 210 of this Draft Prospectus. | Firm Allotment |
| Mode of Application | All the Applicants shall make the Application (Online or Physical) through ASBA Process Only. | Through ASBA mode Only. |
| Minimum Application Size | For QIB and NII: Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 For Retail Individuals: 3000 Equity Shares | 78000 Equity Shares |
| Maximum Bid | For QIB and NII: Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Size does not exceed 1422000 Equity Shares subject to limit the investor has to adhere under the relevant laws and regulations applicable. For Retail Individuals: 3000 Equity Shares so that the Application Value does not exceed ₹ 2,00,000 | 78000 Equity Shares |
| Mode of Allotment | Compulsorily in dematerialized mode | Compulsorily in dematerialized mode |
| Trading Lot | 3000 Equity Shares | 3000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| Terms of payment | Entire Application Amount shall be payable at the time of submission of Application Form. | |

* 50% of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof

within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Ahmedabad.

ISSUE PROGRAMME

| | |
|-----------------|-----|
| ISSUE OPENS ON | [●] |
| ISSUE CLOSES ON | [●] |

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Documents”) and including SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, to be included in the prospectus under “Part B – General Information Document” of this section, highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents to be included will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

PART A

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 through a Fixed Price Process.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

Investors should note that Equity Shares will be allotted to successful Applicants in dematerialize form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for Applicants to the SCSB, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Application Form |
|---|----------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis | Blue |

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- An SCSB, with whom the bank account to be blocked, is maintained
- A syndicate member (or sub-syndicate member)
- A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
- A depository participant ("DP") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- A registrar to an issuer and share transfer agent ("RTA") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
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| For Applications submitted by investors to SCSB: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For Applications submitted by investors to intermediaries other than SCSBs: | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, and Registrar to the Issue as mentioned in the application Form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com.

WHO CAN APPLY?

- Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications

by HUFs would be considered at par with those from individuals;

- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Insurance funds set up and managed by army, navy or air force of the Union of India;
- s) Multilateral and bilateral development financial institution;
- t) Eligible QFIs;
- u) Insurance funds set up and managed by army, navy or air force of the Union of India;
- v) Insurance funds set up and managed by the Department of Posts, India;
- w) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

- | | |
|---------------------------------------|--|
| 1. Minors (except under guardianship) | 2. Partnership firms or their nominees |
| 3. Foreign Nationals (except NRIs) | 4. Overseas Corporate Bodies |

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-

resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

OPTION TO SUBSCRIBE TO THE ISSUE

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in physical form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS

Application Forms have been made available for Eligible NRIs at the Company's Registered Office and at the office of Lead Manager to the Issue.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the form meant for the reserved category.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRIs on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - (b). Nothing contained in clause (a) shall apply to:
 - i. Any transactions in derivatives on a recognized stock exchange;
 - ii. Short selling transactions in accordance with the framework specified by the Board;
 - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iv. Any other transaction specified by the Board.
 - (c). No transaction on the stock exchange shall be carried forward;
 - (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:

- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
- ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
- iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;
- v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
- vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
- vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- viii. Any other transaction specified by the Board.

(e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

4. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
5. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
6. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- (a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- (b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

7. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
8. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
9. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall

be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

10. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
11. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
12. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
13. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
14. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.
15. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

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 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 Regulations shall continue to be regulated by the VCF Regulations.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- a.) Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b.) The entire group of the investee Company: the least of 10% of the respective fund in case of a life insurer or general insurer or reinsurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- c.) The industry sector in which the investee Company operates: the least of 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

- a.) In addition to the above, certain additional documents are required to be submitted by the following entities: With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c.) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form . Failing this, the Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

HOW TO APPLY?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process.

MODE OF PAYMENT

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

UNBLOCKING OF ASBA ACCOUNT

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

MAXIMUM AND MINIMUM APPLICATION SIZE

The applications in this Issue, being a fixed price issue, will be categorized into two;

a) For Retail Individual Applicants

The Application must be for a minimum of 3000 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000.

b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 3000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

INFORMATION FOR THE APPLICANTS:

- a.) The Company will file the Prospectus with the ROC at least 3 (three) days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the

Lead Manager.

- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Gujarati newspaper with wide circulation.

SIGNING OF UNDERWRITING AGREEMENT

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on August 9, 2018.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

- a.) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b.) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c.) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d.) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date: On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

INTEREST AND REFUNDS

COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

GROUNDS FOR REFUND

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 Draft Prospectus. The designated Stock Exchange may be as disclosed in the Draft Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary bidders.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate as disclosed in the Draft Prospectus.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the “Stated Minimum Amount” has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies act, 2013.

MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of provisions Allottees to whom Equity Shares may be allotted may not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

MODE OF REFUND

IN CASE OF ASBA APPLICATION

Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

MODE OF MAKING REFUND FOR ASBA APPLICANTS

In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:

The Issuer may pay interest at the Rate of 15% per annum to Applicants if the funds are not unblocked within the 6 Working days of the Issue Closing Date.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that Applications submitted by any person resident outside India is in compliance with applicable foreign and Indian laws
- All Applicants should submit their application through ASBA process only.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of BSE i.e. www.bseindia.com.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

OTHER INSTRUCTIONS

JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

MULTIPLE APPLICATIONS

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration ("GIR") number instead of the PAN, as the Application is liable to be rejected on this ground.

Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUND FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 3000;
- Category not ticked;
- Multiple Applications as defined in the Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- c. a tripartite agreement dated [●] with NSDL, our Company and Registrar to the Issue;
- d. a tripartite agreement dated [●] with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: [●]

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) **'Any person who: makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- 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 of Companies Act, 2013 and shall be treated as Fraud.**

Section 447 of the Companies Act, 2013, is reproduced as below:

Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 3000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 3000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3000 equity shares subject to a minimum allotment of 3000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to
 - (i). individual applicants other than retails individual investors and
 - (ii). other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

Explanation: If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “Basis of Allotment” on page no. 210 of this Draft Prospectus.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of BSE.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page no. 205 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of BSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

UNDERTAKING BY OUR COMPANY

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. 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 us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company’s balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;

- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
- 5) Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

PART B

[•]

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 Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which is effective from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

INVESTMENT CONDITIONS/RESTRICTIONS FOR OVERSEAS ENTITIES

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect,

regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment up to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

I. Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

II. Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e. the total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

III. Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other

jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

PROVISIONS OF ARTICLES OF ASSOCIATION

| Title of Articles | Article Number | Content |
|-----------------------|----------------|---|
| INTERPRETATION | 1. | <p>In these Articles –</p> <p>(a) “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and if the context so requires may also include the Companies Act, 1956.</p> <p>(b) “Articles” means these articles of association of the Company or as altered from time to time.</p> <p>(c) “Board of Directors” or “Board” means collective body of Directors of the Company,</p> <p>(d) “Beneficial Owner” shall mean the beneficial owners defined in clause (a) of sub-section (I) of section 2 of Depositories Act, 1996.</p> <p>(e) “Company” means Shubham Polyspin Limited or any other name as reflected on the latest Certificate of Incorporation issued by the Registrar of Companies.</p> <p>(f) “Depositories Act” means the Depositories Act, 1996 and includes any statutory modification(s) or re-enactment thereof for the time being in force.</p> <p>(g) “Depository” means a Depository as defined under clause (e) of sub section (I) of section 2 of the Depositories Act 1996.</p> <p>(h) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.</p> <p>(i) “Seal” means the common seal to be kept by the Company, if so decided by the Board of Directors.</p> <p>(j) “Secretary” means any person appointed to perform the duties which may be performed by a secretary under the Act and any other purely ministerial or administrative duties and includes any person appointed to perform the duties of a secretary temporarily.</p> <p>(k) “The Office” means the Registered Office for the time being of the Company.</p> |
| | 2. | Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. |
| | 3. | Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act and Rules made thereunder and any statutory modification thereof in force at the date at which these regulations become binding on the company. |
| | 4. | <p>Table ‘F’ not to apply</p> <p>The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.</p> |
| | 5. | <p>General Power</p> <p>Wherever in the Companies Act, 2013 or Rules made thereunder, it has been provided that the Company shall have any right, privilege or authority or that Company cannot carry out any transaction unless the Company is so authorised</p> |

| Title of Articles | Article Number | Content |
|--|----------------|--|
| | | by its Articles, then in that case, Articles hereby authorise and empower the Company to have such rights, privileges or Authority and to carry out such transaction as have been permitted by the Companies Act, 2013. |
| SHARE CAPITAL AND VARIATION OF RIGHTS | | |
| | 6. | <p>Amount of Capital The Authorised Share Capital of the Company shall be as per Paragraph V of the Memorandum of Association of the Company, with such rights, privileges and conditions attaching thereto as may be determined by the Company, with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively, subject to the provisions of the Act, such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.</p> |
| | 7. | <p>Shares under control of Board Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.</p> |
| | 8. | <p>Directors may allot shares for consideration other than cash The Board may issue and allot shares in the Capital of the company as payment or part payment for any property sold or transferred, goods or machinery supplied or for service rendered to the Company in or about the conduct of the company's business and shares to be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.</p> |
| | 9. | <p>Kinds of Share Capital 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</p> |
| | 10. | <p>Issue of Certificate i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,— (a). one certificate for all his shares without payment of any charges; or (b). several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first. Certificate to bear seal ii. Every certificate shall be under the seal, if any, and shall specify the shares to which it relates and the amount paid-up thereon. One certificate for shares held jointly iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p> |
| | 11. | <p>Issue of new certificate in place of one defaced, lost or destroyed i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be</p> |

| Title of Articles | Article Number | Content |
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| | | <p>issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.</p> <p>ii. Unless otherwise repugnant to the context, the provisions of this Articles of Association pertaining to shares shall mutatis mutandis apply to debentures and other securities of the company.</p> |
| | 12. | <p>Trust not to be recognized</p> <p>Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p> |
| | 13. | <p>Option to receive share certificate or hold shares with depository</p> <p>A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised 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.</p> |
| | 14. | <p>Power to pay Commission in connection with securities issued</p> <p>i. The company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.</p> <p>Rate of commission in accordance with Rules</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under the relevant provisions of the Act.</p> <p>Mode of payment of commission</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p> <p>Brokerage</p> <p>iv. The Company may on any issue of securities pay such brokerage as may be reasonable and lawful.</p> |
| | 15. | <p>Variation of Members' rights</p> <p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the company is being wound up, be varied after complying with the requisite procedures.</p> <p>Provisions as to general meetings to apply mutatis mutandis to each meeting</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p> |
| | 16. | <p>Issue of further shares not to affect rights of existing members</p> <p>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</p> |

| Title of Articles | Article Number | Content |
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| | | 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. |
| | 17. | <p>Power to Issue Redeemable Preference Shares Subject to the provisions of the Act, the Board shall have the power to issue or re-issue 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 Board in accordance with the Act.</p> |
| | 18. | <p>Further issue of Share Capital i. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to – (a). persons who, at the date of offer, are holders of equity shares of the Company; such 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; or (b). employees under any scheme of employees' stock option; or (c). any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.</p> <p>Mode of further issue of Shares ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.</p> |
| | 19. | <p>Issue of warrants or other instruments Subject to the applicable statutory provisions, rules, regulations and guidelines and necessary approvals, the Company shall have power to issue warrant or other instrument, whether independent or attached with some other instrument or detachable and whether bearing any face value or not and with or without any right or entitlement or option to subscribe to or exchange with the equity shares or any kind of securities or not. The terms and conditions of such warrant or instrument may be decided by either under any applicable statutory provisions, rules, regulations, guidelines or by a special resolution of the members of the Company passed at a general meeting authorizing issue of such warrant or instrument or by the Board of Directors of the Company.</p> |
| | 20. | <p>Beneficial owner of shares will be absolute owner Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares in the record of Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami, trust, or equity or equitable, contingent or other claim to or interest in such share(s) on the part of any other person(s), whether or not it shall have express or implied notice thereof.</p> |
| | 21. | <p>Dematerialization of Shares Notwithstanding anything contained in these Articles, the Company shall be entitled in accordance with the provisions of the Depositories Act, 1996, to dematerialise any or all of its shares, debentures and other marketable securities and to offer the same for subscription in dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media, either In respect of the existing shares or any future issue.</p> |
| LIEN | | |
| | 22. | <p>Company's lien on shares i. The company shall have a first and paramount lien— (a). on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> |

| Title of Articles | Article Number | Content |
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| | | <p>(b). on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>Lien to extend to dividends, etc. ii. The company’s lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p> <p>Waiver of Lien in case of registration iii. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.</p> |
| | 23. | <p>As to enforcing lien by sale The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made—</p> <p>(a). unless a sum in respect of which the lien exists is presently payable; or (b). until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p> |
| | 24. | <p>Validity of Sale i. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.</p> <p>Purchaser to be registered holder ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>Validity of Company's receipt iii. 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.</p> <p>Purchaser not affected iv. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p> |
| | 25. | <p>Application of proceeds of sale i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>Payment of residual money ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p> |
| | 26. | <p>Outsider's lien not to affect Company's lien i. In exercising its lien, the Company shall be entitled to treat 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 claim to or interest in, such share on the part of any 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.</p> |

| Title of Articles | Article Number | Content |
|------------------------|----------------|---|
| | | <p>Provisions as to lien apply mutatis mutandis to debentures, etc. ii. The provisions of this Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.</p> |
| CALLS ON SHARES | | |
| | 27. | <p>Board may make calls i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.</p> <p>Notice of call ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>Revocation or postponement of call iii. A call may be revoked or postponed at the discretion of the Board.</p> <p>Board may extend time for payment iv. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.</p> |
| | 28. | <p>Call to take effect from date of resolution 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 installments.</p> |
| | 29. | <p>Liability of joint holders of shares The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p> |
| | 30. | <p>When interest on call or installment payable i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate as may be fixed by the Board.</p> <p>Board may waive interest ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p> |
| | 31. | <p>Sums deemed to be calls i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue of such sum becomes payable.</p> <p>Effect of non-payment of sums ii. 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.</p> |
| | 32. | <p>Payment in anticipation of calls may carry interest 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 decided by the Board and as may be agreed upon between the Board and the member paying the sum in advance. Provided that such calls</p> |

| Title of Articles | Article Number | Content |
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| | | in advance shall not confer any additional dividend or additional voting right upon such member. |
| | 33. | Installments on shares to be duly paid If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment 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. |
| | 34. | Calls on shares of same class to be on uniform basis All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid- up shall not be deemed to fall under the same class. |
| | 35. | Partial payment not to preclude forfeiture Neither a judgment nor a decree in favour of the Company for calls or other moneys 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. |
| | 36. | Evidence in action for call On the trial or hearing of any action for the recovery of any amount due for any call it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt accrued; that the resolution making a call is duly recorded in the minute book; and that notice of such call was duly given to the member sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the directors who made such call nor any other matter whatsoever but the proof of the matter as aforesaid shall be conclusive evidence of the debt. |
| | 37. | Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc. The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. |
| TRANSFER OF SHARES | | |
| | 38. | Instrument of transfer to be executed by transferor and transferee 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. | Board may refuse to register transfer The Board may, subject to the right of appeal conferred by 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. (c). any transfer of shares on sufficient cause. |
| | 40. | Board may decline to recognize instrument of transfer In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless— (a). the instrument of transfer is in the form as prescribed in rules made under 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. |
| | 41. | Transfer of Share Suspended |

| Title of Articles | Article Number | Content |
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| | | On giving not less than seven days' previous notice in accordance with the Act and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year. |
| | 42. | <p>Refusal Odd Lots</p> <p>Without in any way derogating from the powers conferred on the Board by Article 39 and 40, the Board shall be entitled to refuse an application for transfer of shares less than the market trading unit of shares of the Company subject, however, to the following exceptions.</p> <ul style="list-style-type: none"> i. transfer of shares made in pursuance of any provision of law or statutory regulation or order, or an order of a competent Court of Law, or ii. transfer of the entire holding of shares by a shareholder holding less than the market trading unit of the Company's Shares by a single transfer to a single or joint names, or iii. transfer of share <ul style="list-style-type: none"> (a). by a transferor whose shareholding after the transfer will result in his holding the market trading unit of the Company's shares or a multiple of such unit or (b). to one or more transferees, whose shareholding after the transfer (in case of transfer from more than one transferor all transfers being presented to the Company for approval simultaneously) together with the shares already held by him will result in a holding of the market trading unit of the Company's shares or a multiple of such unit, or iv. transmission of shares under a will, and v. transfer of shares of less than the market trading unit held by a shareholder, where the Board/Committee of Directors may at its discretion and in exceptional circumstances or in cases of genuine hardship or for any other just and sufficient cause (the decision of the Board/ Committee being final and conclusive) accept such application. |
| | 43. | <p>Power to refuse sub-division and/or consolidation</p> <p>Notwithstanding anything contained hereinabove, the Directors/Committee of Transfer of the Company, may in their absolute discretion refuse sub-division and/or consolidation of Share Certificates or Debenture Certificates into denominations of less or more than marketable lots except where such sub-division and/or consolidation is required to be made to comply with a statutory provision or an order of a competent court of law.</p> |
| | 44. | <p>The Company not liable for disregard of notice prohibiting registration of transfer</p> <p>The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the company may have notice of such equitable right, title or interest or notice prohibiting registration of such transfer and, may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it or any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.</p> |
| | 45. | <p>Custody of Transfer documents</p> <p>The instrument of transfer shall after, registration be retained by the Company and shall remain in its custody. All the instruments of transfer which the directors may decline to register shall on demand be returned to the person depositing the same. The directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.</p> |
| | 46. | Provisions to apply to debentures |

| Title of Articles | Article Number | Content |
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| | | The provisions of these Articles for transfer and transmission of shares, shall mutatis mutandis apply to the transfer or transmission of any debentures of the Company. |
| TRANSMISSION OF SHARES | | |
| | 47. | <p>Title to shares on death of a member</p> <p>i. The executors or administrators of a deceased member or a holder of a Succession Certificate or other legal representation in respect of shares of a deceased member, where he was a sole or only surviving holder, shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors, administrators or holders unless such executors or administrators shall have first obtained Probate or Letter of Administration or such holder is the holder of a Succession Certificate or other legal representation, as the case may be, from a duly constituted Court in India, provided that In any case where the directors in their absolute discretion think fit, the directors may dispense with production of Probate or Letters of Administration or Succession Certificate or other legal representation, and, under the next Article, register the name of any person, who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.</p> <p>Estate of deceased member liable</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p> |
| | 48. | <p>Transmission Clause</p> <p>i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a). to be registered himself as holder of the share; or</p> <p>(b). to make such transfer of the share as the deceased or insolvent member could have made</p> <p>Board's right unaffected</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p> <p>Indemnity to the Company</p> <p>iii. 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.</p> |
| | 49. | <p>Board may require evidence of transmission</p> <p>Every transmission of a share shall be verified in such manner as the directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the directors to accept any indemnity.</p> |
| | 50. | <p>Right to election of holder of share</p> <p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>Manner of testifying election</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> |

| Title of Articles | Article Number | Content |
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| | | <p>Limitations applicable to notice iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p> |
| | 51. | <p>Claimant to be entitled to same advantage 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.</p> |
| | 52. | <p>Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc. The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p> |
| FORFEITURE OF SHARES | | |
| | 53. | <p>If call or installment not paid notice must be given If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.</p> |
| | 54. | <p>Form of Notice 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.</p> |
| | 55. | <p>In default of payment shares to be forfeited If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p> |
| | 56. | <p>Receipt of part amount or grant of indulgence not to affect forfeiture 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.</p> |
| | 57. | <p>Entry of forfeiture in register of members 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.</p> |
| | 58. | <p>Extinction of Interest and Claim against the Company upon forfeiture</p> |

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| | | 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. |
| | 59. | <p>Forfeited shares may be sold, etc.</p> <p>i. 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.</p> <p>Cancellation of forfeiture</p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p> |
| | 60. | <p>Cessation of membership and other effects of forfeiture</p> <p>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.</p> <p>Member still liable to pay money owing at time of forfeiture and interest</p> <p>ii. 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 or realisation. 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.</p> <p>Cesser of liability</p> <p>iii. The liability of such person shall cease, if and when the company shall have received payment in full of all such monies in respect of the shares.</p> |
| | 61. | <p>Certificate of forfeiture</p> <p>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the company and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>Title of purchaser and transferee of forfeited shares</p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>Transferee to be registered as holder</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>Transferee not affected</p> <p>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p> |
| | 62. | <p>Validity of sales</p> <p>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.</p> |
| | 63. | <p>Cancellation of share certificate in respect of forfeited shares</p> <p>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</p> |

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| | | 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. |
| | 64. | <p>Surrender of shares 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.</p> |
| | 65. | <p>Sums deemed to be calls The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p> |
| | 66. | <p>Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc. The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p> |
| ALTERATION OF CAPITAL | | |
| | 67. | <p>Power to alter share capital Subject to the provisions of the Act, the company may, by ordinary resolution,— (a). increase its authorized share capital by such amount as it things expedient; (b). consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (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.</p> |
| | 68. | <p>Shares may be converted into stock 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.</p> <p>Right of Stockholders (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.</p> <p>(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” in those regulations shall include “stock” and “stock-holder” respectively.</p> |
| | 69. | <p>Reduction of capital The company may, by resolution prescribed in the Act, reduce, in any manner, with and subject to, any incident authorized and consent required by law— (a). its share capital;</p> |

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| | | (b). any capital redemption reserve account; or (c). any securities premium account. (d). any other reserve in the nature of share capital |
| JOINT HOLDERS | | |
| | 70. | <p>Joint Holders 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 tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:</p> <p>Provided that in respect of shares already held in joint names in the past, the words “not more than four” shall be substituted in place of “not more than three” hereinabove.</p> <p>Liability of Joint-holders (a). The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.</p> <p>Death of one or more joint- holders (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.</p> <p>Receipt of one sufficient (c). Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.</p> <p>Delivery of certificate and giving of notice to first named holder (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.</p> <p>Vote of joint-holders (e). (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint- holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.</p> <p>Executors or administrators as joint holders (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.</p> <p>Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.</p> |

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| | | (f). The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names. |
| CAPITALIZATION OF PROFITS | | |
| | 71. | <p>Capitalisation</p> <p>(i) The company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>(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, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b). that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>Sum how applied</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>(iv) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p> |
| | 72. | <p>Powers of the Board for capitalisation</p> <p>(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>(a). make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b). generally do all acts and things required to give effect thereto.</p> <p>Board's power to issue fractional certificate/coupon etc.</p> <p>(ii) The Board shall have power—</p> <p>(a). to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(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 to which they may be entitled upon such capitalization, 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 capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>Agreement binding on members</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p> |
| | 73. | Buy-back of shares and other specified securities |

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| | | 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 | | |
| | 74. | Extraordinary general meeting All general meetings other than annual general meeting shall be called extraordinary general meeting. |
| | 75. | Powers of Board to call extraordinary general meeting The Board may, whenever it thinks fit, call an extraordinary general meeting. |
| PROCEEDINGS AT GENERAL MEETINGS | | |
| | 76. | Presence of Quorum (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act |
| | 77. | Chairperson of the meetings (i) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. Business confined to election of Chairperson whilst chair vacant (ii) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant. |
| | 78. | Directors to elect a Chairperson If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. |
| | 79. | Members to elect a Chairperson If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting. |
| | 80. | Casting vote of Chairperson at general meeting 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. |
| | 81. | Minutes of proceedings of meetings and resolutions passed by Postal Ballot (i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. Discretion of Chairperson in relation to Minutes (ii) 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. Minutes to be evidence (iii) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. |
| | 82. | Inspection of Minute-books of general meeting |

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| | | <p>(i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a). be kept at the registered office of the Company; and</p> <p>(b). be open to inspection of any member without charge, during 3.00 p.m. to 5.00 p.m. on all working days.</p> <p>Members may obtain copy of minutes</p> <p>(ii) 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 such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (i) above.</p> |
| | 83. | <p>Powers to arrange security at meetings</p> <p>The Board, and also any person(s) authorised 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.</p> |
| ADJOURNMENT OF MEETING | | |
| | 84. | <p>Chairperson may adjourn the meeting</p> <p>(i) The Chairperson may, suo moto, adjourn the meeting from time to time and from place to place.</p> <p>Business at adjourned meeting</p> <p>(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>Notice of adjourned meeting</p> <p>(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>Notice of adjourned meeting not required</p> <p>(iv) Save as aforesaid, and as provided in 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.</p> |
| VOTING RIGHTS | | |
| | 85. | <p>Entitlement to vote on show of hands and on poll</p> <p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>(a). on a show of hands, every member present in person shall have one vote; and</p> <p>(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.</p> |
| | 86. | <p>Voting through electronic means</p> <p>A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.</p> |
| | 87. | <p>Vote of joint-holders</p> <p>(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>Seniority of names</p> <p>(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> |
| | 88. | <p>How members <i>non compos mentis</i> and minor may vote</p> |

| Title of Articles | Article Number | Content |
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| | | 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. |
| | 89. | Votes in respect of shares of deceased or insolvent members etc. 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. |
| | 90. | Business may proceed pending poll Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll. |
| | 91. | Restriction on voting rights 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. |
| | 92. | Equal rights of members 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. |
| | 93. | Restriction on objecting qualification of any voter (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. |
| PROXY | | |
| | 94. | Proxies when to be deposited The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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. |
| | 95. | Form of proxy An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act. |
| | 96. | Proxy to be valid notwithstanding death of the Principal 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 | | |
| | 97. | Present Director The present Directors of the Company are: (i) Mr. Ankit Anil Somani (ii) Mr. Akshay Anilbhai Somani (iii) Ms. Pooja Ankit Somani (iv) Ms. Preeti Nitin Somani |

| Title of Articles | Article Number | Content |
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| | 98. | <p>Number of Directors Unless otherwise determined in a general meeting of the Company and subject to the provisions of the Act and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15, atleast two thirds of whom shall be liable to retire by rotation.</p> |
| | 99. | <p>Appointment of Chairperson and Vice-chairperson The Directors may from time to time elect one of their number to be chairperson and vice-chairperson of the Board of Directors and determine the period for which they are to hold office. If at any meeting of the Board of Directors, the Chairperson is not present at the time appointed for holding the same, the Vice-chairperson shall preside and failing him the Directors present shall choose one of their number to be Chairperson of such meeting.</p> |
| | 100. | <p>Appointment of Managing Director and/or Whole-time Director Subject to the provisions of the Act, the Company shall be entitled from time to time to appoint and/or employ any Director of the Company as Managing Director or Managing Directors and/or Whole time Director or Whole Time Directors and/or as head of any department of the Company and/or in any other capacity and for such period and on such remuneration as may be decided upon and the Board of Directors shall from time to time confer upon such appointee such powers as they may think fit and from time to time to revoke and/or modify the same and to suspend and/or remove such appointee. Provided that 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.</p> |
| | 101. | <p>Remuneration of directors The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> |
| | 102. | <p>Remuneration to require members' consent (i) The remuneration payable to the directors, including any managing or whole - time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting or in the manner elsewhere provided in this Articles of Association.</p> <p>Travelling and other expenses (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a). in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b). in connection with the business of the company.</p> |
| | 103. | <p>Sitting Fee Every Director shall be paid out of the funds of the Company such sum as the Directors may from time to time determine for attending every meeting of the board or any committee of the Board, subject to the ceiling prescribed under the Act. The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board and any other expenses properly incurred by them in connection with the business of the Company.</p> |
| | 104. | <p>Nominee Director Subject to the provisions of the Act and to these Articles, whenever the Directors enter into a contract with any Government, Central, State or Local, any Bank/s or Financial Institution/s or any person/s [hereinafter referred to as "the Appointer"] for borrowing any money or for providing any guarantee or security for any technical or financial collaboration or assistance or for entering into any other arrangement, whatsoever, the Directors shall have the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such terms and conditions as may be mentioned in the agreement and that such Director or Directors may not liable to retire by rotation nor be required to hold any qualification shares. The Directors of Company may also</p> |

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| | | agree that such Director may be removed from time to time by the appointer and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. |
| | 105. | <p>Debenture Directors Any trust deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustees thereof or by the holders of the debenture stock, of one or more persons to be the director (s) of the Company or may empower such trustees or holders of debentures or debenture stock from time to time to remove any such director (s) so appointed. A director appointed under this Article is hereby referred to as a “Debenture Director” and the terms “Debenture Director” means a director for the time being in office under this Article. A debenture director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain that ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other powers herein contained.</p> |
| | 106. | <p>Limit on number of non-rotational Directors The provisions of Articles are subject to the provisions of the Act and the number of such Directors appointed under Articles excluding the Directors appointed by financial institutions for which special provisions have been made in the respective laws relating to such institutions shall not exceed in the aggregate one third of the total number of Directors for the time being in office. The remaining Directors shall be appointed by the Company in General Meeting.</p> |
| | 107. | <p>Execution of negotiable instruments All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.</p> |
| | 108. | <p>Special remuneration to Directors If any Director being willing, shall be called upon to perform extra services which expression shall include work done by the Director as a member of any committee formed by the Directors or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Board may resolve to remunerate such Director either by a fixed sum or by a percentage of profit or otherwise as may be determined by the Directors and such remuneration may be in addition to the remuneration above provided.</p> |
| | 109. | <p>Appointment of Additional Director (i) Subject to the provisions 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.</p> <p>Duration of office of Additional Director (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p> |
| | 110. | <p>Appointment of Alternate Director (i) 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.</p> <p>Duration of office of Alternate Director</p> |

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| | | <p>(ii) 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.</p> <p>Re-appointment provisions applicable to Original Director (iii) 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.</p> |
| | 111. | <p>Appointment of director to fill a casual vacancy (i) 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, be filled by the Board of Directors at a meeting of the Board.</p> <p>Duration of office of Director appointed to fill casual vacancy (ii) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.</p> |
| POWERS OF BOARD | | |
| | 112. | <p>General powers of the Company vested in Board Without prejudice to the specific powers conferred upon the Board by the provisions of the Act and Rules made thereunder and these Articles, 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 statue 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.</p> |
| | 113. | <p>Power and duties of Managing Director Subject to the superintendence, control and direction of the Board, the day to day management of the company shall be in the hands of the managing director(s). The Board may from time to time entrust to and confer upon the managing director(s) for the time being, save as hereafter in this Article provided, such of the powers exercisable under these presents by the Board as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient, and they may subject to the provisions of the Act and these presents confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Board in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers. Provided however that the Board shall not entrust to and confer upon the managing director(s) and the managing director(s) shall not have or be entitled to exercise the power (1) to make calls upon the members of the Company in respect of moneys unpaid on the shares held by them respectively, (2) to borrow any sum or sums of money for the purposes of the Company or to make loans out of the funds of the Company except within such limits as may from time to time be previously fixed by the Board or (3) to invest any of the moneys of the Company, beyond the limits fixed by the Board.</p> |
| PROCEEDINGS OF THE BOARD | | |
| | 114. | When meeting to be convened |

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| | | <p>(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>(ii) 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</p> <p>Participation at Board Meetings</p> <p>(iii) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</p> |
| | 115. | <p>Questions at Board meeting how decided</p> <p>(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>Casting vote of Chairperson at Board meeting</p> <p>(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p> |
| | 116. | <p>Directors not to act when number falls below minimum</p> <p>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.</p> |
| | 117. | <p>Who to preside at meetings of the Board</p> <p>(i) The Chairperson of the Company shall be the Chairperson at meetings of the Board.</p> <p>Directors to elect a Chairperson</p> <p>(ii) 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.</p> |
| | 118. | <p>Delegation of powers to Committee</p> <p>(i) The Board may, subject to the provisions of the Act, also delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p> |
| | 119. | <p>Chairperson of Committee</p> <p>(i) A committee may elect a Chairperson of its meetings.</p> <p>Who to preside at meetings of Committee</p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p> |
| | 120. | <p>Committee to meet</p> <p>(i) A committee may meet and adjourn as it thinks fit.</p> <p>Questions at Committee meeting how decided</p> <p>(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p> <p>Casting vote of Chairperson at Committee meeting</p> <p>(iii) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.</p> |

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| | 121. | <p>Acts of Board or Committee valid notwithstanding defect of appointment All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.</p> |
| | 122. | <p>Passing of resolution by written consent Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.</p> |
| | 123. | <p>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</p> <p>Subject to the provisions of the Act,—</p> <p>Chief Executive Officer, etc. (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>Director may be Chief Executive Officer, etc. (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> |
| | 124. | <p>Dual position of Director A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p> |
| CONSULTANTS AND ADVISORS | | |
| | 125. | <p>Company may appoint consultants and/or advisors The Company may, subject to the provisions of the Act and these presents appoint anybody corporate, firm or individual as its consultant(s) and/or advisor(s) on technical, financial and management matters, on such terms and conditions and on such remuneration as the Board may deem fit.</p> |
| REGISTERS AND RECORDS | | |
| | 126. | <p>Statutory Registers and Records Subject to the provisions of the Act and Rules made there under, the Company shall keep and maintain at its registered office all statutory registers and records 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 records shall be open for inspection (wherever permissible) during 3.00 p.m. to 5.00 p.m. on all working days at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act and the Rules. The fees for obtaining extracts of the registers and records (wherever permissible) shall be also fixed by the Board but not exceeding the limits prescribed by the Act and the Rules.</p> |
| | 127. | <p>Foreign Register (i) 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</p> |

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| | | <p>the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.</p> <p>(ii) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.</p> |
| THE SEAL | | |
| | 128. | <p>The seal, its custody and use</p> <p>(i) The Board shall provide for the safe custody of the seal, if any.</p> <p>Affixation of seal</p> <p>(ii) The seal, if any, 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 at least who shall sign every instrument to which the Seal is affixed in his presence and countersigned by the Secretary or such other person as the Board may appoint for the purpose and such director or the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p> |
| DIVIDENDS AND RESERVE | | |
| | 129. | <p>Company in general meeting may declare dividends</p> <p>The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.</p> |
| | 130. | <p>Interim dividends</p> <p>Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.</p> |
| | 131. | <p>Dividends only to be paid out of profits</p> <p>(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>Carry forward of profits</p> <p>(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p> |
| | 132. | <p>Division of profits</p> <p>(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.</p> <p>Payments in advance</p> <p>(ii) 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.</p> <p>Dividends to be apportioned</p> <p>(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> |

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| | 133. | <p>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from 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.</p> |
| | 134. | <p>Retention of dividends The Board may retain dividends payable upon shares in respect of which any person is, under the transmission clause hereinabove contained, entitled to become a member, until such person shall become a member in respect of such shares.</p> |
| | 135. | <p>Dividend how remitted (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>Instrument of payment (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>Discharge to Company (iii) 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.</p> |
| | 136. | <p>Receipt of one holder sufficient 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.</p> <p>Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.</p> |
| | 137. | <p>No interest on dividends No dividend shall bear interest against the company.</p> |
| | 138. | <p>Waiver of dividends The waiver in whole or in part of any dividend on any share by any document (whether or not under seal, if any) 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.</p> |
| ACCOUNTS | | |
| | 139. | <p>Inspection by Directors (i) The Board shall from time to time determine whether and to what extent and at What times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>Restriction on inspection by members (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.</p> |
| WINDING UP | | |
| | 140. | <p>Winding up of Company Subject to the provisions of the Act and rules made there under— (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part</p> |

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| | | <p>of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p> |
| INDEMNITY AND INSURANCE | | |
| | 141. | <p>Directors and Officers right to indemnity</p> <p>(i) Subject to the provisions of the Act, every director, managing director, whole Time director, manager, company secretary and other 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 director, manager, company secretary and 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 director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(ii) Subject as aforesaid, every director, managing director, manager, company secretary or other 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.</p> |
| | 142. | <p>Insurance</p> <p>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.</p> |
| SECRECY CLAUSE | | |
| | 143. | <p>(i) Subject to the provisions of Companies Act, 2013 no member shall be entitled to visit or inspect any work of the company without the permission of the Directors, Managing Directors or Secretary or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the company and which in the opinion of the Directors or the Managing Director will be inexpedient in the collective interests of the members of the company to communicate to the public or any member.</p> <p>(ii) Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the company will be upon entering his duties pledging himself not to reveal any of the matters 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.</p> |

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Draft Prospectus, will be delivered to the ROC for registration of this Draft Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Block No. 748, Saket Industrial Estate, Nr. Kaneria Oil Mill, Jetpura- Basantpura Road, Village Borisana, Taluka Kadi, Mahesana – 382 728, Gujarat, India; from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

A. MATERIAL CONTRACTS

1. Memorandum of understanding dated August 9, 2018 between our Company and the Lead Manager.
2. Agreement dated August 9, 2018 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated August 9, 2018 between our Company, the Lead Manager, and Underwriter.
4. Market Making Agreement dated August 9, 2018 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated [●].
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated [●].
7. Banker's to the Issue Agreement dated [●] between our Company, the Lead Manager, Bankers to the Issue and Refund Banker and the Registrar to the Issue.

B. MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board Resolution dated July 25, 2018 and Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the AGM by the shareholders of our Company held on August 4, 2018.
3. Statement of Tax Benefits dated August 8, 2018 issued by our Statutory Auditors M/s. Jain P.C. & Associates, Chartered Accountants.
4. Copy of Restated Audit report from the peer review certified auditor – M/s. Jain P.C. & Associates, Chartered Accountants dated August 8, 2018 included in the Draft Prospectus.
5. Copy of Certificate from M/s. Jain P.C. & Associates, Chartered Accountants dated August 18, 2018, regarding the source and deployment of funds up to August 17, 2018 towards the objects of the offer.
6. Copy of Certificate from M/s. Jain P.C. & Associates, Chartered Accountants dated August 8, 2018, regarding the Source of Minimum Capital Contribution by Promoters.
7. Copy of Financial Statement for the financial year ended on March 31, 2018 and copies of Annual reports of the Company for the years ended on March 31,; 2017, 2016, 2015, 2014 and 2013.
8. Consent of Promoter, Consents of Directors, [●], Chief Financial Officer, Statutory Auditors, Peer review Auditor, Legal Advisor to the Issue, Bankers to our Company, [●], Lead Manager to the Issue and Underwriter, Registrar to the Issue, Market Maker to include their names in the Draft Prospectus to act in their respective capacities.
9. Due Diligence Certificate from Lead Manager dated August 27, 2018 addressing BSE.
10. Copy of Board Resolutions and Shareholders' Resolutions for appointment and fixing of remunerations of Mr. Anil Devkishan Somani as Chairman and Managing Director; Mr. Ankit Anil Somani as Managing Director and Mr. Akshay Anil Somani as Non-Executive Director and CFO.

11. Copy of In-principle approval letter dated [●] from the BSE Limited.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XI

DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY:

| Name | Designation | Signature |
|-----------------------------|------------------------------|--------------|
| Mr. Anil Devkishan Somani | Chairman & Managing Director | ---- sd --- |
| Mr. Ankit Anil Somani | Managing Director | ---- sd ---- |
| Mr. Akshay Anilbhai Somani | Non-Executive Director | ---- sd ---- |
| Ms. Radhika Anand Chandak | Women Independent Director | ---- sd ---- |
| Mr. Kush Prafulbhai Kalaria | Independent Director | ---- sd ---- |
| Dr. Urva Pragnesh Patel | Independent Director | ---- sd ---- |

SIGNED BY:

| Name | Designation | Signature |
|----------------------------|--|--------------|
| Mr. Akshay Anilbhai Somani | Chief Financial Officer | ---- sd ---- |
| [•] | Company Secretary & Compliance Officer | [•] |

Place: Mahesana

Date: August 27, 2018

FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY BEELINE BROKING LIMITED SHALL BE READ AS UNDER:

TABLE 1

| Sr. No. | Issue Name | Issue Size (₹ in Cr.) | Issue Price (₹) | Listing Date | Opening Price on Listing Date (₹) | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30 th Calendar Days from Listing | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90 th Calendar Days from Listing | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180 th Calendar Days from Listing |
|---------|------------|-----------------------|-----------------|--------------|-----------------------------------|--|--|---|
| - | - | - | - | - | - | - | - | - |

SUMMARY STATEMENT OF DISCLOSURE

TABLE 2

| Financial Year | Total No. of IPOs | Total Funds Raised (₹ in Cr.) | Nos. of IPO trading at discount as on 30 th calendar day from listing date | | | Nos. of IPO trading at premium as on 30 th calendar day from listing date | | | Nos. of IPO trading at discount as on 180 th calendar day from listing date | | | Nos. of IPO trading at premium as on 180 th calendar day from listing date | | |
|----------------|-------------------|-------------------------------|---|-----------------|---------------|--|-----------------|---------------|--|-----------------|---------------|---|-----------------|---------------|
| | | | Over 50% | Betw een 25-50% | Less than 25% | Over 50% | Betw een 25-50% | Less than 25% | Over 50% | Betw een 25-50% | Less than 25% | Over 50% | Betw een 25-50% | Less than 25% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | |